

# remarketing



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## New products spark record year at Openlane

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Openlane Inc., an online auction company, reported record sales in 2009 despite the lousy auto market. The company expects this year to be even better.

Enhancements to Openlane's dealer-to-dealer business unit helped the company sell almost 400,000 vehicles for clients in the United States and Canada, 21 percent more than in 2008, said Openlane CEO Daniel Farrar.

A new partnership with Ford Motor Co. to sell Ford's retired rental vehicles to dealers on a private-label on-



**Openlane CEO Daniel Farrar:**  
"We have many exciting partnerships in development for this year."

line channel and a program that lets independent auto auctions list vehicles for sale will help Openlane exceed last year's totals, said marketing director Ed Chuang.

In addition, Farrar said, "We have many exciting partnerships in development for this year."

Neither Farrar nor Chuang would predict sales for 2010.

In January, Ford, through Ford Motor Credit Co., began offering retired rental cars and trucks to Ford, Lincoln and Mercury dealers on Accelerate, a private-label auction service operated by Openlane.

Deuce Waikem, a manager at Waikem Auto Group in Massillon, Ohio, said he uses Accelerate to cherry-pick late-model, low-mileage vehicles for his Ford certified used-vehicle inventory.

Waikem said the system is easy to use and has features similar to GMAC Financial Services' SmartAuction, a com-

peting online remarketing channel.

Through its Certified Auction Partners program, Openlane gives independent auction companies that don't have their own online remarketing channel the opportunity to list customers' vehicles on Openlane. The program gives more exposure to the auctions' inventory and provides a broader selection of vehicles to dealers who buy on Openlane.

Other recent additions include a feature that lets dealers submit and handle arbitration disputes online and a system that enables inventory management companies to submit vehicle descriptions and photos to

Openlane on behalf of dealers.

In February, Openlane announced an agreement with Carfax Inc. that lets dealers obtain Carfax vehicle history reports on Openlane's Web site. The reports inform dealers about the vehicle they're considering, and dealers also can print out the reports to provide them to retail customers.

A little more than half of the 16,000 to 18,000 dealers that Openlane does business with operate new-car franchises.

"It was a terrific year for us," Farrar said. "We set some pretty aggressive goals, and we navigated those waters really effectively." **AN**

## Safety fracas hurts used-Toyota prices

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Prices of used recalled Toyotas are lagging behind the market, says Edmunds.com. Their prices slipped while average prices of used vehicles overall rose in February, ADESA Inc. data show.

Joe Spina, an Edmunds.com analyst, said the prices of recalled Toyota vehicles as of March 12 are down almost 3 percent from a month earlier.

He said used-car buyers are turned off by publicity surrounding the recalls. Also, he said, "A fair number of



Camry and Corolla models were recently returned by rental fleets, making it somewhat of a buyers' market for those vehicles," Spina said in a statement.

He said the price of the average 3-year-old Camry is flat compared with a year earlier, but prices of the average 3-year-old mid-sized sedan increased 7 percent year over year.



**Edmunds.com says the price of a 3-year-old Toyota Camry is unchanged from a year ago, while the average 3-year-old mid-sized sedan is priced 7 percent higher than a similar 3-year-old vehicle in 2009. A 2007 Camry is shown.**

Tom Kontos, an ADESA executive vice president, said the average price of a used vehicle in February was \$10,138. The industry average topped \$10,000 for the first time since July.

February's average price rose 8 percent from a year earlier and 3 percent from January.

Full-sized vans in February regis-

tered the largest year-over-year increase of any segment. Their average price of \$8,945 jumped 33 percent from February 2009 and 4 percent from January.

Average prices of used large SUVs stood at \$13,777 in February, up 11 percent from February 2009 and up 2 percent from January. **AN**

## ABC opens St. Louis site

Auction Broadcasting Co. last week opened its 10th auction site, in St. Louis.

Over the next two to three years, the company aims to add about two sites a year in the West and on the East Coast, expanding outside the Midwest and Southeast, said Auction Broadcasting President Jason Hockett.

The Indianapolis company wants to add another site this year, he added.

But the company isn't looking for huge long-term growth, he said. "We're not public. We're staying a family-owned company," said Hockett, son of CEO Mike Hockett, who is also the founder of the now publicly held ADESA Inc.

"My dad's goal is to stay focused on serving the dealer without getting too stretched out. Our managers all worked in retail [automotive] and know how difficult it is for dealers."

ABC St. Louis has 70,000 square feet and four lanes, with room to add a dozen more, Hockett said. The site offers services such as marshalling, inspections, titles and online sales as well as traditional live auctions.

The site expects to offer about 1,000 vehicles a week.

ABC St. Louis is managed by D.J. Adams, who is also a partner in the location.

—Arlena Sawyers

## BMW, Manheim expand remarketing plan

BMW Group Financial Services plans to expand a program that resells company-owned BMW and Mini vehicles exclusively through Manheim.

Randy Beil, BMW Group Financial's general manager of vehicle sales, said all vehicles turned in by BMW of North America employees at company headquarters in Woodcliff Lake, N.J., are being sold to BMW dealers on Manheim's online remarketing channels, OVE.com and Manheim Simulcast.

Nick Peluso, a Manheim senior vice president, said the nation's largest

auction chain conducts no physical auctions at the distribution center.

A distribution center near BMW's headquarters handles all remarketing duties, such as inspections, reconditioning, photography and listing vehicles on one of Manheim's remarketing channels. Manheim also inspects new vehicles delivered to BMW Group employees. The program began nine months ago.

The companies will open a second distribution center near the BMW plant in Spartanburg, S.C., in the third

quarter, Beil said. About 4,000 vehicles a year will be remarketed out of the New Jersey site and about 6,000 at the Spartanburg site. A third center in Hilliard, Ohio, near BMW Financial Services, will follow, Beil said.

Beil said mixing late-model, low-mileage, company-owned vehicles with off-lease vehicles improves sales for both vehicle groups. The program also saves BMW Group time and money because the vehicles are not moved until they are sold, he said.

"We have better dealer attendance



**Randy Beil of BMW Group Financial says the Manheim program provides a quick turnaround for vehicles.**

when we have some 2010 company cars with 5,000 miles mixed together with some 2007 30,000- and 40,000-mile cars," Beil said. "In some cases, we have the vehicle turned in on a Tuesday and up for sale the very next day."

—Arlena Sawyers

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