The different types of reverse auctions

An auction is described as « reverse » when it gathers one buyer and many sellers.

(a classical auction gathers one seller and many purchasers)
The choice of the type of auction is determined......

- by the analysis of suppliers offers at the end of the RFQ
- by the information about the market given by the buyer
English auction

- Decreasing auction (or increasing if it is a sales auction)
- The supplier can only place a bid better than the leading bid
- The auction stops when there is no more bid
Dutch auction

- Increasing auction (upon configuration by the buyer, the system offers a bid that increases at regular intervals)
- The selected supplier is the one who first accepts an offer

Business awarded to the winner
Dynamic auction

- Decreasing auction (or increasing if it is a sales auction)
- The supplier can only place a bid better than his previous bid
- He can compare his bid with the best bid of the moment
  - Either by his price compared with the best price
  - Or by his ranking compared with the first

Business awarded to the best global offer (price + other criteria)
With each type of auction corresponds a specific configuration

- Setting of the opening price of the auction
  - Outcoming from the suppliers offers (from the consultation)

- Setting of the decrement (purchasing auction) ou incrément (sales auction)

- Duration of the auction
  - Usually 20', in case of extension time, setting of the extension rules

- Setting the information release rules
  - Allows competitors more or less transparency
    - Lead bead
    - Ranking
PSA Peugeot Citroën ethic rules released as early as March 2003
(french law in August 2005)

- sent to all our suppliers
- PSA Peugeot Citroën Code of conduct available online on the B2B portal, in the “Documents available for all to view” area
  - every auction leads to a business being awarded
  - only a supplier that participated in the auction can be awarded the business
  - after the auction, different criteria (technical, logistics, quality...) are taken into account for the final award