

The Japanese Auction

The Japanese auction, which is not an achievement of contemporary Japanese industrial revolution, but it chronically travels to the old past, has international use, great use frequency and attaches great profits.

The procedure takes place in two consecutive rounds. The criteria set by the auctioneer for a company to pass to the next round, may vary and depend on the conditions of each auction.

The usual criterion is the total offer of a company to outmatch others.

So, for example, we may define that:

- All the companies participate at the first round, by submitting closed offer. The definition of the starting price by the auctioneer is optional. The companies do not know the offers of the rest, or the prevailing offer.
- The first round and every next round, may be completed in a small time period (in a few minutes) The offers are opened and the five better pass to the next round. In case of draw of the last offers, other draw offers may pass.

The number of companies that pass/fail is directly depending on the auction conditions and the number of the interested persons.

- In case the offers are submitted online, the procedure remains the same. Moreover, it is improved, as the offers may be submitted directly, upon completion of each round and the automatic announcement of the best offer in each round.
- Starting price of the second round is set the best offer of the first round. All offers of this round shall improve the starting price of this round or be equal with it.
- The three best offers pass at the third and final round. The best offer of the previous round is the starting price.

The company submitting the best price during this final round is the winner.

In case of draw, the draw companies are invited to improve their offers until the better offer emerges.

The above procedure is often applicable. Specific case, are the state competitions for the sale of precious objects. So, for example, many European states distributed the specific 3G mobile services licenses with great results, the Greek Government auctions objects with great anticipated value, such as casino etc. Similar products may be included at the same methodology with ranking.

For instance, the phasma zones which are listed with preference ranking, were distributed at a correspondent ranking of buyers, emerging from this procedure. In that case, as the interested buyers are more that the phasma zones, there is competition for the finding of a company of the highest bidding ranking and furthermore for the ranking.