

A long-exposure photograph of a multi-lane highway at night. The image shows a series of bright, curved light trails in shades of orange, yellow, and red, representing the movement of vehicles. The road surface is dark, with white dashed lines marking the lanes. A concrete barrier runs along the right side of the road. The overall scene is dynamic and conveys a sense of motion and connectivity.

Essential Guide to Automotive Inventory Advertising

There's been a lot of discussion about inventory advertising these days, largely brought on by the aftermath of the pandemic. If auto suppliers want to make the most of their marketing budget, close more deals, and improve customer service, now is a good time to focus on inventory advertising—particularly over the next few months. From dynamic ads to Facebook leads, there are a lot of options available though. Use this guide to understand the trends and plan ahead for your next campaigns.



Post-pandemic: Automakers, U.S dealers Have Less Inventory in Lots

While inventory counts vary across the country, nearly all suppliers have fewer vehicles in their lots. Public transportation and services like Uber are no longer viable options for many people, which has kept the demand for automobiles strong even during the worst stages of the pandemic.

Not only that, but production delays have made it less likely to receive regularly scheduled shipments for new vehicles. Professionals originally noticed the production slowdown in China in February 2020 before it halted entirely by mid-March. It's caused a rift in the global supply chain, one that is unlikely to repair itself any time soon.

Between slowdowns, trade wars, and increasing demand for used cars, auto dealers had a million fewer cars on the lot in the fall of 2020 compared to the fall of 2019. It's created undeniable opportunities for suppliers, particularly given the frenzy that all retailers have seen for most tangible goods on the market.

The lack of choice has been paradoxically good for many brands, removing some of the anxiety that consumers of picking one option from seemingly never-ending rows of cars. However, suppliers will need to have the right advertising approach to make the most of this opportunity.

Greater Emphasis on Inventory Marketing: Why It Yields Better Results in This Market

In this market, you can't be too careful about the information you're showing a shopper. If you're constantly having to tell a prospective customer that you don't have the car they were lusting over because it just drove off the lot yesterday, it's going to create a negative experience that can haunt your bottom line for longer than you think. This kind of frustration, particularly when they've gotten their hopes up during a time without a lot of inventory on hand, can actively hurt your business (or at least stop you from maximizing your profits).

Inventory advertising makes it possible to target customers based on the model they're looking for and what you have in stock. It gives them the information they need, when they need it. This means that auto dealers don't have to spend money promoting inventory that's no

longer available, nor do they have to have an awkward conversation with consumers that the information on their website is actually from last week. The streamlined experience for the customer leads to more conversions.

When a shopper starts their search online, it can be pretty broad in terms of criteria. For instance, they might search 'best SUVs' or 'safe cars for teenagers'. From there though, they might need to narrow down their search relatively quickly. This is why personalized ads based on inventory marketing can help their hunt go from a vague idea of a vehicle to an actual sedan or truck in their driveway. This kind of advertising is a way to take stress off of everyone's shoulders and promote more consumer confidence in your brand.

How to Build a 360-Degree Automotive Inventory Advertising Strategy

We'll look at how to develop an inventory advertising strategy, so you can maximize every touchpoint with the consumer.

Identify and Capture High Intent Shoppers Using Inventory Search Engine Marketing

Search engine marketing is a way to create relevant ads for your inventory by intercepting buyers before they head to a site like CarMax. This works particularly well for buyers who know what they're looking for, as you can show them individual vehicles that match their descriptions. This marketing strategy also allows you to show details of the cars on your lot, including the price, mileage, and number of matching vehicles available.

Ads will be updated daily to ensure accuracy and automatically adjust the language for each consumer based on your stock details. For instance, it might tell a customer that there's just one SUV at their price point available, which might lead them to swing by your dealership earlier than they originally planned. Dealers get detailed reporting to understand more about buyer preferences and patterns in their area, which can then be integrated with the other marketing reports for more comprehensive campaigns.

Retarget Customers Using Dynamic Inventory Display

Retargeting customers essentially reminds customers of their original search in different ways. For instance, let's say that a dealer has effectively intercepted a shopper who's searched for a Honda Civic on Google. The customer checks out the specs for three Civics, rules out one, and then becomes distracted by a different search. A retargeted ad might display one of the dealer's Civics on a different site the customer visits.

Vehicle-specific ads consistently outperform generic ads for dealerships, leading to higher click-through rates and better quality leads. When customers call you, they're inquiring about one or a select few vehicles. Retargeted ads can appear nearly anywhere, including major websites.

It all leads to less time that a vehicle takes up space on your lot, particularly if you handle less popular brands. And while vehicle churn is certainly less of an issue for dealers these days, improving your flow efficiency can only help you in the future when stock becomes more plentiful.

Nurture Customers Using Facebook Dynamic Ads and Facebook Auto Inventory Ads

Inventory ads on Facebook can be a great way to nurture customers on a social media platform that they already spend a lot of time on. Upload your whole catalog with the details of each vehicle and drive traffic to a submission form, your website, or a specific Facebook vehicle detail page. Facebook features a convenient one-time setup, meaning you'll only have to design one campaign to promote all your inventory.

With this tactic, you can reach customers across any device and eliminate the friction associated with mobile page load times. Facebook has the algorithms and optimization benefits in place already. All dealers have to do is get the information to Facebook, so Facebook can get the information to customers who are already interested in your inventory. The features respect user privacy even as they target and connect with them at different phases of their shopping journey.

Convert Customers Using Facebook Dynamic Ads with Leads Facebook has built a suite of

features and products, including easy-to-use lead forms that customers can fill out to get more information about your inventory and your business. This can increase conversion rates because you're not actually sending them to your company's website but rather to a local sales rep or CRM.

The more in-touch you are with customers, the more likely you are to maximize your marketing dollars. Facebook Dynamic ads ensure that you're speaking to customers on their level. You can create local ads that make it easy to sign up for a test drive or stop by for a blow-out sale on a 3-day weekend.

This has been particularly beneficial for dealers who want to strategize based on where shoppers are in the funnel. For instance, they might show a thrilling video ad for their dealership to someone who doesn't even know they want a new car yet vs. a specific vehicle page to someone who's ready to buy that day.

Close the Deal

With the right automotive inventory advertising, closing the deal can be as simple as handing over the keys. Even for deals that take a little more finesse, you're giving customers the information they need to feel comfortable about their decision long before they ever leave the house. Inventory advertising allows a dealership's sales team to save time by skipping the preliminary questions and better assist their shopper with their specific needs.

Conclusion

With the supply such as it is, it's never been more important for auto dealers to ensure their information is accurate. Inventory advertising can be manipulated in a number of ways, but the end results are always more sales and happier customers. To get your strategy right, it helps to consult with an expert team who knows the ins and outs of every platform.

As you build out better campaigns, you can get a sense of where your target demographic 'lives' in the virtual space, so you can focus your efforts where they'll be appreciated the most. For instance, maybe your customers are far more likely to jump on Instagram than they are on Facebook, leading you to either downplay or skip inventory ads there entirely. The more attuned you are with local buyers, the easier it will be to optimize current initiatives and sketch out new marketing efforts in the future.

Demand Local provides turnkey, white-labeled digital advertising solutions. Get in touch with us and learn more about how you can maximize your profits by letting us do the heavy lifting, while you can spend your valuable time on closing new deals.

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Demand Local has a proven track record of successful business relationships with some of the largest Auto Ad Agencies and Dealerships in North America for more than a decade. Our Digital Ad Infrastructure was built from the ground-up specifically to serve the Automotive Sector by unifying our proprietary technology with some of the industry's leading media and technology services. Demand Local has been a pioneer in adopting newer media, and technologies to better bridge the gap between advertisers and buyers.