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Auto Experts On Why Dealers Need To Advertise Even When Vehicle Inventory Is Low.

Jun 14, 2021



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A global shortage of computer chips has reduced the number of vehicles available for sale on dealer lots from coast to coast. With lower inventories, some dealerships have expressed reluctance to advertise, choosing instead to wait until vehicle supplies are replenished. But there are strategies ad sellers can use to deflect this objection, according to auto advertising experts.

The biggest inventory shortages are for SUVs and CUVs since those models are most in demand. "There is a creative switch that needs to occur because they need to sell subcompacts and sedans that maybe weren't focus models before," Lindsey Stuart, Senior Automotive Account Executive at iHeartMedia's Dallas cluster, told a recent Radio Advertising Bureau Live Presentation. Buyers may be driving SUVs off the lot within hours of them arriving from the factory but dealers still need to move lower demand vehicles. "You have to reach those buyers with a unique idea and a unique reason to want to buy your vehicle," said Stuart who handled marketing for a dealership earlier in her career. "Just because inventory is low doesn't mean a dealer doesn't have other problems they need help with."

In fact, selling new cars is only one problem a dealer may need to solve. Some need help filling job openings, an issue plaguing many industries as America reopens. Many dealers make a high percentage of their profits from their service departments, which also need marketing help. "We can't go in and pitch a radio package, we have to go in and truly understand what the issues are, what the problems are," Stuart added. "And then go back to our teams and say, 'Hey, I've got this client and here are their problems.'"

Timothy Jorgensen, Beasley Media Group's National Digital Automotive Director, says dealers looking to save money by pulling back on advertising risk losing customers to a competing dealer down the street. "One thing you can do is point that out," said Jorgensen, who spent 25 years as general manager of a Ford dealership before joining Beasley. "Your competitor is still advertising so they're going to start taking that customer away from you because they're going to hear their ad and not your ad."

Tyson Jominy, VP of Data & Analytics at J.D. Power, says pulling out of advertising would be the worst thing a dealer could do right now. "You need to keep reminding them that if you pull out, if you go dark, when vehicles do come back, why would consumers think about you? You have to keep investing [in marketing] and it will pay off down the road," Jominy continued. "If you're not there, you're invisible and someone else will get that sale when there's inventory."