



Instant Cash Offer

Your Guide to Acquiring Profitable Inventory

You can't sell cars you don't have. With increased competition from big retailers, the wholesale market is changing and becoming more challenging. But one thing remains the same—keeping inventory levels up will always be critical to your success and profitability.



Inventory is the lifeblood of the dealership and it's imperative that dealers find unique ways to acquire good car inventory.

- **Randy Kobat**, Vice President of Operations for Inventory Management Solutions at Cox Automotive



To acquire the quality, in-demand inventory you need, it's time to ***rethink your strategy, your processes, and your technology.***

In this guide, you'll learn what actions you can take to ***create inventory opportunities and optimize profitability*** as well as valuable acquisition best practices, including:

- Develop a diversified sourcing strategy
- Create a consistent and transparent appraisal process
- Use data and insights to maximize opportunities
- Align workflows and get more from your tools

Develop a Diversified Sourcing Strategy



While traditional sourcing methods can help supplement your inventory, you can also expect to compete with the deep pockets of big used-car retailers and lose gross to auction and transportation fees.

Beyond wholesale auctions, get creative with acquiring vehicles from every possible source out there, especially from consumers.

Proactively Acquire Vehicles Directly from Consumers

Connecting with transaction-ready shoppers about acquiring their vehicle has major untapped potential and can be done in many ways. Turn that potential into profit by:

- Optimizing your website for digital retailing
- Hosting buying events
- Sourcing from your service lanes

By acquiring inventory directly from consumers who are ready to sell or trade in their current vehicle, you can avoid fees, wholesale competition, and time-to-market delays. ***And if they are looking to purchase a replacement vehicle, you have the opportunity to sell them one of yours.***

#1
The digital
retailing activity
customers want to
complete online is
finding the value
of their current
vehicle.¹

Develop a Diversified Sourcing Strategy



Put It into Action:

- Start by connecting with consumers outside of your “normal” dealer channels.
- Align your workflows and leverage the tools you use every day to deliver the virtual experience your customers want while identifying the right cars to acquire for your market.
- Pursue opportunities everywhere your staff interacts with consumers. Engage with them on your website, in your showroom, and in your service lanes to make sure you never miss a chance to acquire inventory.
- Measure the success of each acquisition. Review your Look to Book ratios, then focus on how your dealership can be even more efficient when it comes to acquiring trade-ins so that you can maximize profit on each vehicle.
 - For more on Look to Book and why it matters, [read this article](#).

INCREASE YOUR LOOK TO BOOK BY 4% AND GET 8 ADDITIONAL CAR DEALS*



*percentage points, per 200 cars appraised

Create a Consistent & Transparent Appraisal Process



Given that one of the first activities consumers complete in their car shopping journey is finding out the value of their current vehicle, the appraisal process can make or break a deal.



You make money when you buy a car, not when you sell it.

- **Nick Anderson**, Chuck Anderson Ford



Transparency is key when it comes to creating trust in the appraisal process. Today's consumers have endless information at their fingertips, so it's important to provide the information they need to move forward confidently in the buying journey and sell or trade in their vehicle with you.

Put It into Action:

- Establish a consistent appraisal process with the help of a tool that empowers any representative in your dealership to complete appraisals with customers.
- Offer appraisals online, as well as in store and in the service lane to find acquisition opportunities in every area of your dealership.
- The right solution should educate customers on how their vehicle valuation was determined.

Create a Consistent & Transparent Appraisal Process



Follow Up on Appraisals and Offers

Prevent leads from going cold. Once you see that a customer has started a vehicle valuation, meet them where they are in the process. Continued communications that focus on acquiring the customer's vehicle will help keep your dealership at the top of their mind and pay off when they are ready to make a transaction.

Put It into Action:

- Develop a consistent follow-up strategy.
- Set up a communication cadence, such as:

- **Day 1:** Send an initial response to the customer with a manual email and phone call

- **Day 3:** Break in follow-up communications with a manual email and phone call

- **Day 7:** Auto-send emails to schedule a call or text

- Your follow-up process shouldn't end there. Stick with the lead. Continuing the long-term follow-up strategy for 90 days has proven to be successful and helps dealers acquire inventory sooner.

Use Data and Insights to Maximize Opportunities



Ryan Smith



Ready to Buy

Interests:

Used, SUV/Crossover, 40k-50k
Updated 1 day ago

As consumers shop online, they leave behind a digital trail of insights into their purchasing timeline and vehicle preferences. Utilize this data to maximize your inventory opportunities.

Prioritize those leads based on who may be ready to buy. Follow up with them quickly to make the most of every opportunity to acquire inventory and boost profits.

This view is possible with
Kelley Blue Book Instant Cash Offer Buying Signals

Put It into Action:

- Target the right shoppers at the right time with the right message. By doing so, you can provide a better end-to-end car shopping experience.
- Follow up with personalized messages or targeted offers and close the deal before your competition does.

Align Workflows and Get More from Your Tools

Having the right tools and technology in place will help your dealership grow. Your solutions should work together, creating efficiencies that benefit both you and your customers. Consider how you can align your workflows to create a better digital retailing experience, connect with transaction-ready shoppers, and acquire quality inventory that's right for your market.

Customers who combine vAuto Provision and Kelley Blue Book® Instant Cash Offer attain a

50%+
win rate on
inventory.*

Put It into Action:

- Integrate your acquisition tools with your inventory management software to stock, appraise, price, and list more accurately using real-time data that drives profits.
- Align your digital retailing process with your inventory acquisition process to provide your customers a better end-to-end experience.
- Enhance your reconditioning process to help you make accurate appraisals and improve your cost to market.

Enhance Your Sourcing Strategy



If you're running low on inventory, it's time to add a solution that makes acquisition easy. Kelley Blue Book® Instant Cash Offer gives you the tools you need to provide trusted, redeemable offers for vehicles on your website, in the showroom, and in service lanes, including the guidance and expertise of a dedicated performance manager. That way, you can make the most of every inventory opportunity and acquire the right cars at the right price, directly from consumers who are ready to sell or trade in their current vehicle.

Win more of the inventory you need to be profitable with Instant Cash Offer from Kelley Blue Book – the #1 most trusted third-party automotive brand.*



Instant Cash Offer

Ready to see how Instant Cash Offer can improve your inventory acquisition process?

Request a personalized review of your inventory opportunities at

b2b.kbb.com/ico

