




UNDERSTANDING AUCTION MARKETING STRATEGIES

FOR INDUSTRIAL AND HEAVY EQUIPMENT LIQUIDATIONS

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THE AUCTIONEER'S ROLE IS
INCREASINGLY EVOLVING FROM
BID-CALLER TO MARKETING STRATEGIST



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In the asset recovery industry, maximum exposure means maximum recovery; a comprehensive marketing strategy is critical for an auction's success.

An auctioneer's marketing toolbox previously consisted of newspaper advertising, brochures and inside sales. The digital world has added email marketing, social media, search engine marketing and content marketing strategies as popular and effective methods of gaining exposure for an auction sale. Auctions previously conducted for a live audience are now online. This requires the auctioneer to plan and execute a comprehensive marketing strategy catered to online buyers.

Though this new landscape presents many opportunities, it also has its unique set of challenges that many auctioneers are unequipped to solve. Most auctioneers are aware that they need a plan, but are unsure of which methods will bring them the most success.

For smaller auction firms, deviating from traditional, and adopting new, marketing methods can be an uncomfortable process. This is due to the auction and industrial sectors reluctance to adapt to digital mediums.

While analyzing auction marketing strategies available to auctioneers, our whitepaper will:

- Reinforce the importance of understanding the assets involved in a sale
- Prove that research-based strategies will maximise exposure
- Challenge small and auction large firms' strict reliance on outbound marketing strategies and tactics
- Explain the benefits of adopting new marketing methods and models
- Serve as a benchmark to measure on-going strategies and tactics

Part One

THE BUYING CYCLE

When it comes to marketing, two factors must inform the strategy of every auctioneer: first, the type of equipment being sold; second, the nature of the potential bidders they are trying to reach.

Certain assets at an industrial auction will appeal to a wider audience than others. For instance, a forklift will have a larger number of potential buyers in comparison to a specialized piece of production machinery. The marketing strategies must cater to the sale catalog to bring the right buyers to the sale.

To better understand an industrial auction's potential audience, we need to understand a fundamental of marketing: the buying cycle. This term refers to the different stages that a customer goes through before buying a product or service. It consists of three steps: awareness, consideration, and purchase.

In the awareness stage, customers are just starting to perform a needs analysis. They are also beginning to conduct research on potential solutions. In the consideration stage, customers are thinking about businesses that can solve their problem, and compare them to competitors. Last, the purchase stage is when the customer agrees to buy a service or product.



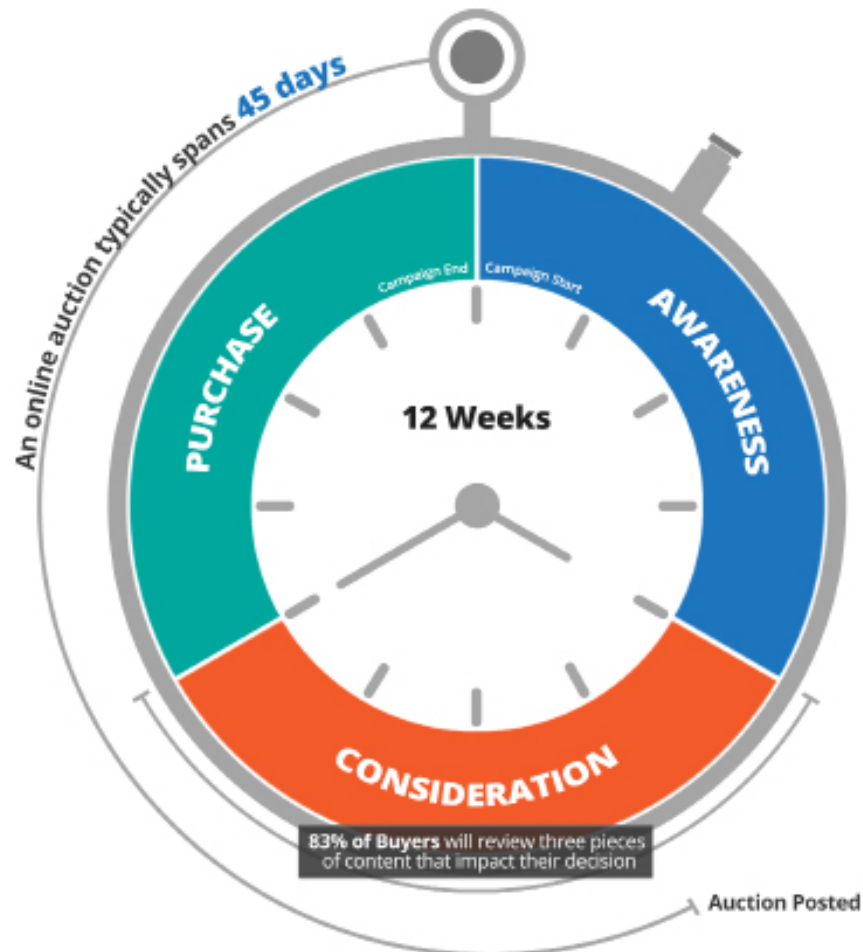
Part Two

THE INDUSTRIAL BUYING CYCLE

The industrial buying cycle is longer and more involved than that of the consumer, simply because of the amount of capital and complexity involved in the transaction. More often, industrial buying cycles have multiple decision makers, further complicating the process. In the awareness and consideration stages, potential buyers may need more time and information before making a decision. According to [GlobalSpec](#), "83 per cent of buyers review up to three pieces of content before making a decision on an industrial purchase over \$1,000." Further, [IEEE Engineering360](#) found that the average buying cycle length for engineers was 12 weeks.

An auctioneer that understands the length and complexity of the industrial buying process will be better able to form a comprehensive strategy that meets the needs of buyers.

The Industrial **Buying Cycle**



Part Three

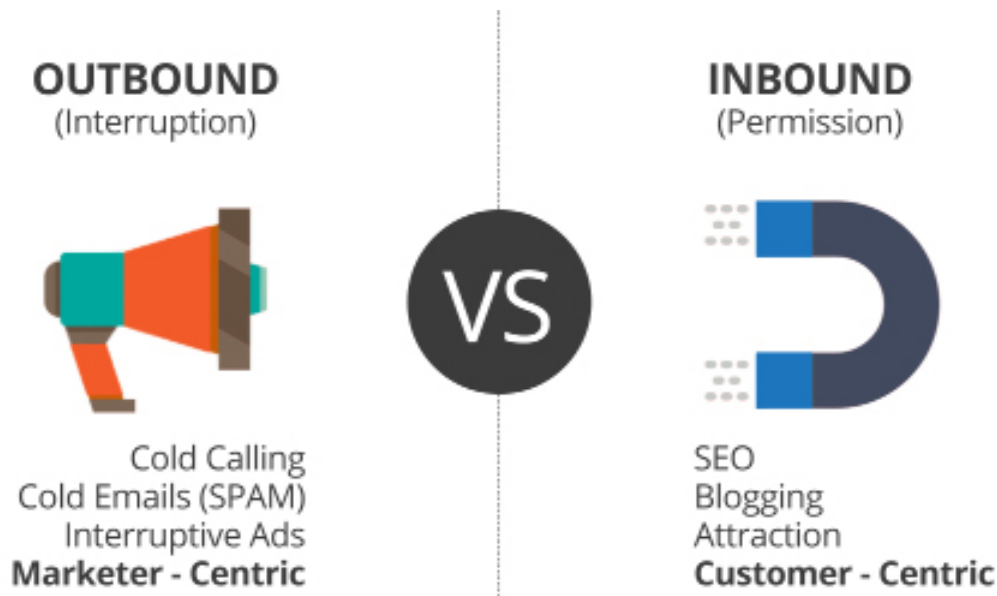
INBOUND VS OUTBOUND MARKETING

Introduction

The next point to understand when creating a plan is the difference between outbound and inbound marketing.

[Wordstream](#) defines outbound marketing as the traditional form of marketing where a company initiates the conversation and sends its message out to an audience. This traditional approach is known as push marketing because businesses push their communication to the outside world. It is common to many industries and includes conventional methods such as list acquisition, telemarketing, trade shows and direct mail.

Instead of pushing marketing content to potential customers, inbound marketing works by attracting customers that are searching for content of interest to them. Known as pull marketing, it involves strategies like content creation, pay-per-click (PPC) and search engine optimisation (SEO). With the proliferation of search engines and blocking techniques such as do-not-contact lists, many companies are starting to alter their approach to include inbound marketing. This shift is the result of two primary factors: the ability to measure return on investment (ROI) and cost.





Part Three

Continued

Measuring inbound and outbound marketing strategies.

Measurement

Measuring and tracking outbound strategies' effectiveness is difficult. For example, say an auctioneer prints and distributes flyers for an upcoming auction. It would be impractical to survey each auction attendee if and when they had received the flyer. Without extensive resources, the auctioneer would never know if the flyers were effective at bringing in attendees.

On the other hand, a core component of any inbound marketing strategy includes reporting, evaluation and adaptation. Since inbound marketing largely focuses on click-throughs (users clicking on a link), digitally tracking engagement is a fairly simple task. Without tracking, it is easy to exceed marketing budgets and difficult to reach maximum exposure.

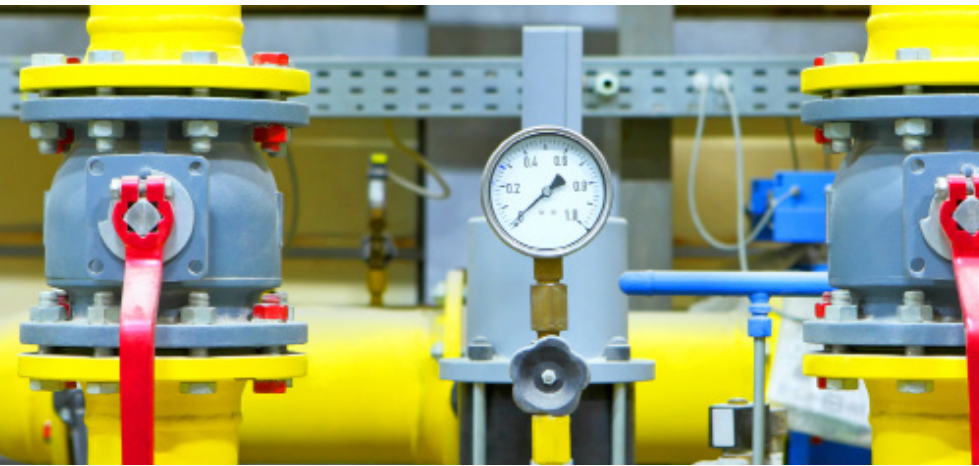
The other reason why businesses are moving towards inbound marketing techniques is cost. According to [Hubspot](#), "inbound marketing costs 62 per cent less per lead than traditional outbound marketing. 54 per cent more leads are generated by inbound than by outbound." In a different [report](#), Hubspot found that on average, \$20k was the amount that companies saved per year by investing in inbound marketing strategies compared to outbound strategies.

If inbound marketing is cheaper and easier to track, why are companies using outbound marketing at all?

There are two reasons.

First, there are still industries that are better served through traditional methods. Professionals in these fields may not use the internet as their primary resource for information, instead relying more on print media and trusted contacts.

Second, inbound marketing requires a different mindset. It demands a lot more preparation and consistent monitoring to work. Think of it as a process, not a campaign. Auctioneers that run event-based campaigns do not understand this mindset and look for immediate results. This approach can lead to poorly executed marketing plans and unmet expectations. In their [2016 State of B2B Digital Marketing](#), Ascend2 found that "social media and SEO were named as the most difficult digital marketing tactics to execute. Both tactics are time-intensive requiring skilled resources not always available in-house."



Part Three

Continued

Measuring inbound and outbound marketing strategies.

To illustrate the process of inbound marketing, let us return to the earlier example of the auction flyers.

Once printed, the auctioneer's work on them is complete. All of the planning, such as verbiage and graphic design, occurs before the printing stage. An inbound strategy such as pay-per-click (PPC) requires the auctioneer or marketer to monitor targeted keywords continually and change them based on their usefulness.

Even though inbound marketing may seem like a challenge to execute, auctioneers do not need to be hesitant about implementing it as a strategy if they have accurate information.

In the next section, we'll discuss some of the most common techniques used in auction marketing campaigns, as well as the costs and benefits of each, and help determine which is best for you.

Part Four

UNDERSTANDING MARKETING STRATEGIES

Outbound Marketing Strategies

When it comes to outbound marketing, an auctioneer can get powerful results if their strategy is leveraged correctly and is grounded in proper practice. Research into an audience's preferred method of communication, for example, will lay the foundation for an effective plan.

Internal Sales/Telemarketing

Though the industrial auction industry is moving online, there are still those who respond best to telemarketing and inside sales. These individuals often depend heavily on trust and existing relationships when sourcing their equipment. Marketing through this method often requires a substantial expenditure of time and capital developing a network of contacts, if an existing one is not available. Lead generation may be difficult, especially if the target audience is already wary of advertising.

Despite these drawbacks, filtered telemarketing can be particularly helpful when trying to arrange a private treaty sale. It can also be beneficial when trying to sell very specialised equipment. In the case of internal sales, a good lead nurturing program can result in long and profitable business relationships.

Internal sales are still very much a part of auction marketing. An effective internal sales campaign must be founded on a curated network of interested buyers. This network must be nurtured and updated to include

new contacts. Attempting to market to a network en masse, or to one that has not frequently been contacted, should be avoided.

Print Media

As with internal sales, there are those who an auctioneer can best reach through flyers and advertisements in trade publications. These people may not use the Internet for business-related information or may view print media as more authoritative.

Advertising through print media can have several drawbacks in terms of cost and ROI tracking. If an auctioneer uses flyers, it can be impossible to calculate how many are accepted versus how many are discarded. Trade publications often have fees for posting in them. Even if they have an estimated number of readers, it is nearly impossible to tell how many individuals your campaign will reach.

To be effective, the media consumption habits of potential bidders must inform any print media campaign. Having a clear picture of who an auction is trying to target will determine the best type of print media to utilize. In any case, it is important to avoid over-saturation. Too much marketing sent without first gauging an audience's interests can negatively impact credibility.



Part Four

Continued

Understanding outbound, inbound and converged marketing strategies.

Inbound Marketing Strategies

As previously stated, inbound marketing is a process; it is important to be patient with results and consistently monitor the effectiveness of any implemented strategy.

Email

In their 2015 marketing [report](#), IEEE Engineering360 found that technical professionals “subscribe to an average of 4.4 digital publications, in contrast to 1.4 printed trade magazines.” This growing trend has made email newsletters one of the most popular methods of auction marketing. Email allows an auctioneer to reach a large number of people in a short amount of time, for a relatively low cost.

As with print media, planning is paramount to success. As email is now a mature medium, having been used for decades, audiences are wary of the potential for spam. With this in mind, filtered email lists and adjusted email content according to gathered data is crucial. An auctioneer should always be paying attention to the subject lines and content of their emails, and the effect they have on open and opt-out rates.

Instead of a sporadic email campaign announcing an auction to your entire

contact list, try offering your potential audience useful information or a solution to their problem. You can then provide an email opt-in if readers would like to learn more. Doing this will help establish you as a trusted source of information.

Search Engine Optimisation (SEO) & Content Marketing

According to an industrial marketing [survey](#), “50 per cent of technical professionals spend six or more hours a week on the web for work-related purposes, and one out of three spend nine-plus hours online.” This increase in internet use has made proper SEO and content marketing less of an option for auctioneers, and more of a necessity.

Though not as direct as email, SEO is one of the most powerful ways to attract new customers to your website and auctions. By optimising for certain keywords, an auctioneer can drastically increase the numbers of visitors to their site. Not only does this help their site rank above their competition in search results, but also increases the visibility of any events they are trying to announce. Investing in a thought out SEO strategy can be one of the most effective means of reaching people that are actively looking for equipment auctions.



Part Four

Continued

Understanding outbound, inbound and converged marketing strategies.

[Search Engine Journal](#) found that “SEO leads have a 14.6 per cent close rate, while outbound leads (such as direct mail or print advertising) have a 1.7 per cent close rate.” When a potential visitor types a keyword into their search engine, they are already looking for a website like yours. Proper optimisation ensures that it is your website that they find.

Content Marketing

Content marketing is another area that has seen continued growth. [Demand Metric](#) found that “content marketing generates three times as many leads as traditional outbound marketing, but costs 62 per cent less.” Further, the [Content Marketing Institute](#) found that “80 per cent of business decision-makers prefer to get company information in a series of articles versus an advertisement.”

When determining a proper SEO and content marketing strategy, it is vital that an auctioneer performs their due diligence. Tools like Google’s Keyword Planner and Moz’s Keyword Explorer are invaluable in finding out a potential audience’s most searched for terms.

Once you obtain a list of keywords that your audience is searching for, it is time to optimise. Pay particular attention to the way you use these keywords, such as in titles

and headings. Though you want to ensure your keywords appear on your site, you do not want to overuse them. Doing this will affect the readability of your site to both users and search engines. In fact, a website’s ranking and visibility will be penalised if it is suspected of abusing keywords.

PPC

Pay-per-click advertising may not be as cost effective as SEO, but is still an excellent way of marketing your website. Instead of trying to rank among the general search results (known as organic links), PPC targets the paid advertisement section of a search engine. These results are set apart from the paid listings, usually above or to the right of regular or organic results.

PPC doesn’t get as much traffic as organic links. [Unbounce](#) found that 85 per cent of clicks resulting from a search are on the organic links rather than the paid ads. They also found 86 per cent of web searchers trust SEO listings more than sponsored PPC listings. Despite this, PPC visitors are 50 per cent more likely to purchase something than organic visitors. Though PPC brings fewer visitors to your site, the ones that do are more likely to use your services. PPC ads target buyers in the later stages of the buying cycle.



Part Four

Continued

Understanding outbound, inbound and converged marketing strategies.

With PPC, you only pay when an interested party clicks on a listing. You can also target specific buyers with focused ads. PPC enables you to set a budget, eliminating the possibility of overspending. Another benefit is that PPC can yield more immediate results than SEO, which requires time for a website to build authority.

Although some auctioneers use PPC, many find it difficult. While the process may seem easy at first (set it and forget it), PPC is more than just plugging in data and bidding for any keyword you think will be relevant. Very few have the resources to do PPC comprehensively in-house, so they hire outside marketing agencies to help them.

An effective PPC strategy is very similar to SEO in that both require a list of keywords. When bidding on keywords to rank for, be sure to take note of the cost and competitiveness. It is often better to rank higher for longer keywords that are more focused than ones that are shorter but less relevant. For example, you may choose "industrial manufacturing equipment auctions Atlanta," as opposed to just "auctions." The former will have less traffic but will drive more relevant traffic to your website and be more cost effective.

Conclusion – Converged Marketing

There are benefits and drawbacks of each auction marketing strategy. Although outbound marketing is still very much alive, there is a growing trend towards inbound marketing. Not only are more people using the internet to gather information about industrial equipment, they are also becoming increasingly wary of marketing that does not add value.

Inbound marketing is extremely powerful. However, it requires a different mindset to traditional outbound marketing. It takes a lot of planning and constant monitoring to reach its full potential. It is a process, not a destination.

If you are a smaller auction house or individual auctioneer and are unsure of how to properly conduct inbound marketing, partnering with a company like Aucto can help. Aucto has a dedicated marketing department and can employ all of these techniques (both inbound and outbound marketing) to boost the visibility of your auction. It is an easier way to receive the maximum exposure for your auction so you can get maximum recovery.

INBOUND, OUTBOUND & CONVERGED AUCTION MARKETING STRATEGIES



INBOUND MARKETING

Refers to marketing strategies that focus on pulling audiences in.

Uses pull tactics such as search engine optimization (SEO), content creation, social media and emails.

Enables two-way communication - both businesses and their audiences control messaging.

Digital mediums and new technology may be unfamiliar to certain audience segments.

According to Hubspot's recent report, inbound marketing:

62% less expensive per lead than traditional outbound marketing

54% more leads are generated by inbound than by outbound marketing

79% of companies that have a blog reported a positive ROI

57% of marketers who blog monthly acquired a customer directly from their blog

77% of businesses that market directly to consumers have acquired a customer with Facebook

OUTBOUND MARKETING

Refers to the traditional form of marketing where a company initiates the conversation and sends its message out to an audience.

Uses push tactics such as tradeshows, TV commercials, radio commercials, print advertisements (newspaper ads, magazine ads, flyers, brochures, catalogs, etc.), cold calls, and email blasts.

Enables one-way communication - organizations control their messaging.

Consumers and businesses are familiar with outbound marketing tactics.

Organizations still spend as much as 90% of their marketing budgets on outbound marketing.

INDUSTRY FACT

Approx.

1/3rd of industrial professionals use social media

CONVERGED MARKETING

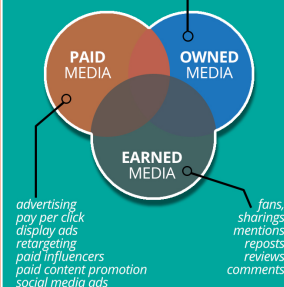
RECOMMENDATION

There are benefits and drawbacks both inbound and outbound auction marketing strategies.

Certain industries, such as the industrial and heavy equipment sector, are reluctant to adopt new marketing strategies?

Auction marketing strategies for such sectors will need to rely on converged marketing.

customers, websites, blogs, social media channels



Converged marketing leverages an organization's paid (outbound), owned (outbound/inbound), and earned (inbound) content and media.

Converged marketing allows for a tailored approach that can reach a larger portion of an organization's market segment.



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