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Whitepaper | 2025



## 'Data Ups:' How CDPs Enable Dealership Data Monetization



## The 'Up' Philosophy

The philosophy around lead management in automotive has remained relatively stable over the last century, with slight adjustments made for the integration of new technologies and lead generation opportunities. The dealership business model typically revolves around managing incoming leads from various sources or, as they are colloquially referred to in the industry, 'Ups.'

The term 'Up' dates back to at least the mid-20th century, reflecting the dynamic and fast-paced nature of the car business, where every new customer represents a new opportunity to close a deal. The entomology of the term 'Up' is likely derived from the concept of a customer physically coming 'up' to the dealership lot or a salesperson to speak about their offerings. It can also reference the competitive nature of working at a dealership where salespeople vie for the chance to serve the next visitor, indicating the sales person is 'up' next in line. Alternatively, 'Up' can simply refer to the literal motion of standing 'up' to greet a potential customer as they walk into the dealership showroom.<sup>1</sup> While there is no specific documented moment or person credited with creating the concept of the 'Up,'

Car dealership's account for **5.3%** of all digital advertising revenues in the US.

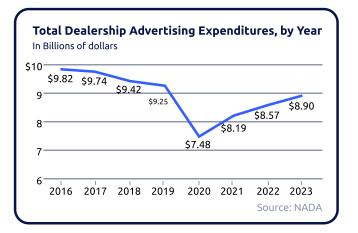
this language is used widely as part of the jargon used in dealerships for effective team communication.

Over time, 'Ups' have expanded beyond the 'Showroom Up' to include 'Phone Ups' and 'Internet Ups,' but regardless of the evolution of technology, lead management in dealerships has remained largely passive and luck-driven, with dealers waiting for shoppers to raise their hands and show 'up' before engaging them in conversation.

The passive approach towards sales constructed around the luck of the 'Up' has resulted in the automotive industry becoming one of the largest spenders when it comes to digital advertising, accounting for 5.3%<sup>2</sup> of all digital advertising revenue in the United States in 2022, with dealerships nationwide spending upwards of \$8.9 billion<sup>3</sup> in 2023 in an effort to drive more actionable leads.

In the last decade, as the automotive industry has embraced the importance of unifying siloed data sources, a fourth kind of 'Up' has emerged that, while similar in concept to the original 'Up,' is transforming dealership sales into a more sustainable and cost efficient model by shifting away from reactive lead management to a proactive, opportunity-driven approach.

- The Ultimate Guide to Dealership Slang
- US Automotive Advertising Statistics & Facts
- Distribution of Car Dealers' Ad Spend in the US from 2002 to 2023, by Medium



## The New 'Up' on the Block

Contrary to phone, internet, and showroom 'Ups,' 'Data Ups' turn the focus from working leads to identifying opportunities from within a dealership's own first-party data. 'Data Ups' use millions of shopper data points and buying intent signals to bring in-market opportunities to the surface.

#### Data • Up /noun/

An in-market opportunity type identified using buying-intent signals pulled from within your dealership's first-party data using a CDP.

These high-potential car shoppers can be identified through shopper behavior. They are the shoppers who are actively browsing the dealership's website, engaging with ad, email and text message marketing campaigns, but are not actively raising their hand and asking to be engaged by submitting a lead. 'Data Ups' enable a dealership to identify these opportunities and proactively engage highpotential car shoppers who are likely to make a purchase from the dealership or from a competitor in the very near future.

# The 'Data Up' in Action

Consider a car shopper who saw a dealership ad on social media, clicked on the ad to visit the dealership's website, and converted on a trade-in opportunity. This lead will automatically be engaged by the sales team or the dealership's Business Development Center (BDC) simply because they submitted a lead form to become an 'Internet Up.' This shopper may be interested in buying a car, but more likely, they were curious about the trade-in opportunity and will not follow through on the deal.

Now consider a second shopper who is already in the dealership's CRM after making a purchase a year previous. This known shopper then received a marketing email from the dealership, visited the website, browsed several VDPs and then left the website without submitting a lead. The shopper then returned to the website through an ad, browsed three more VDPs, had a positive chat with the website chatbot, but never actively submitted a lead to request engagement from the dealership.

Shopper #2 is clearly interested in making a purchase, but will go entirely ignored by the dealership because they have not actively raised their hand and asked to be engaged. The shopper is a former customer that already exists within the CRM and by not actively reaching out, the dealership is left open to the risk of losing the sale to a competitor rather than nabbing the win by proactively engaging.

#### Lead



Max Hutchinson Opened 1 email Converted: Trade In Shopper Score: 4

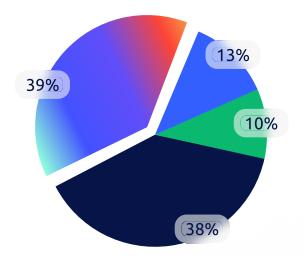
#### Data Up' Opportunity



Kristin Smith Clicked on an ad Viewed 10 VDPS Opened 4 emails Viewed 4 more VDPS Chatted on website Shopper Score: 9

This is where the CDP comes in. CDPs enable dealerships to connect the dots between the different browsing activities taken by a known shopper up to ten years back, even if they have not actively raised their hand and asked for a phone call. The CDP helps dealers mine their own data for golden opportunities that can easily transform into a sale with the proper strategy in place.

Consider this: An average dealership that implements a 'Data Up' strategy, could see their lead breakdown shift entirely. Instead of seeing a majority of phone, internet and showroom 'Ups,' the dealership will tap into their own data and the breakdown in the CRM could shift to 10% 'Phone Ups,' 13% 'Showroom Ups,' 38% 'Internet Ups,' and a significant 39% of 'Data Ups.' This potential breakdown of opportunities shows just how significant integrating proactive engagements with potential buyers can be on a dealership's annual revenue.<sup>4</sup>



Equally significant, because these opportunities already exist within the dealership's own data, they do not require the dealership to put down large sums of money to identify in the way that driving internet or phone leads requires significant ad spend. By investing in 'Data Ups' and a proper data infrastructure with which to identify and engage these opportunities, dealerships can significantly reduce marketing waste, improve efficiency within their operations, and boost their annual revenues, changing the very way they define success.

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## The CDP-Powered 'Data Up'

While it is possible for a dealership to use an individual data source like a CRM to identify a 'Data Up' opportunity, it would be very limited. Using the CRM alone, the dealer can run a guery on lease renewal, for example, but would not be able to couple it with, say, shopper browsing history, or ads clicked to understand the shopper intent or identify their vehicle of interest. The process of mining 'Data Ups' becomes intrinsically easier and more accurate when done through a Customer Data Platform or CDP.



## Manual CDP-Driven 'Data Ups'

CDPs are designed to unify a dealership's siloed data sources, clean and organize the data, and create singular, data-rich profiles for every dealership shopper. A CDP then offers dealers the ability to segment their unified data using powerful filtering and audience building tools.

Using the right filters, dealers can create 'microaudiences,' small, highly-segmented lists of shoppers based on specific shopper criteria and behaviors that essentially result in a list of 'Data Ups.'

While a CDP offers dealers the ability to identify and engage 'Data Ups,' proper implementation of a 'Data Up' strategy will require dealerships to either train sales managers or hire someone for their team with the necessary skillset to manage the 'Data Ups' process. The team member would be charged with creatively working the CDP to build micro-audiences and identifying 'Data Ups' that can be passed on to the sales team for follow-up.







General Manager

Manager

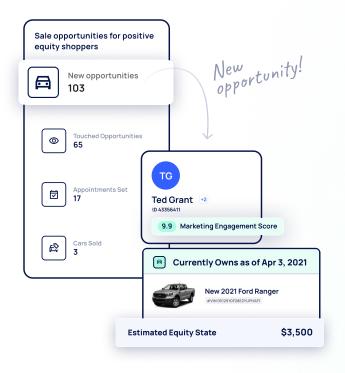
Sales Marketing Manager Manager

Data Ups Manager

## **AI-Powered CDP-**Driven Data 'Ups'

When leveraging a CDP integrated AI to create a 'Data Ups' strategy, dealerships can take their work to the next level in identifying in-market opportunities by coupling manual efforts with AI for best results. Because AI can process tremendous amounts of data instantly, it can easily tap into the CDP to identify the strongest 'Data Ups.' Even more so, AI can run on the dealership's entire data set and identify obscure trends and patterns to segment unique microaudiences to use in a 'Data Up' strategy.

Once a 'Data Up' is identified, the CDPintegrated AI can then create a package deal for the sales to to leverage in their engagement with the shopper including their vehicle of interest, specials, services, or offers that may interest that individual based on their needs and behaviors, and offer a suggested script for the sales person to use to ensure the conversation is a success.<sup>5</sup>



With 81% of dealers expecting to increase their AI spending in 2025, and 72% of dealership leadership viewing AI as an enhancement to human capital rather than a replacement, the industry is primed and ready to make AI-powered 'Data Ups' a core part of their business strategy.<sup>6</sup>

### Conclusion

The "Data Up' is the latest evolution of the longheld automotive 'Ups' philosophy. Unlike other 'Ups,' 'Data Ups' represent an opportunity for dealerships to activate their first-party dealership data to proactively engage in-market, highpotential opportunities rather than only focusing on lead engagement, made easier and more effective with the integration of AI. This new strategy will allow for dealers to optimize their operations, reduce marketing waste, and build important relationships with their customers that can drive long-term success.

Strategically, 'Data Ups' are the way forward for dealers looking to take full advantage of their data. In today's automotive technological landscape, there is no platform capable of handling the full scope of a 'Data Up' strategy. Most platforms are focused on lead management with no solutions currently available to specifically identify or engage those potential customers who are not actively raising their hands to become a lead. As the value of a 'Data Up' strategy is recognized and adoption becomes more widespread across the industry, 'Data Up' management tools will quickly become a standard piece of tech at every dealership. 'Data Up' management platforms will ensure dealers can fully engage and mine their data, taking full advantage of the opportunities that lay within.

Fullpath, November 2024

The 2025 State of AI Adoption in Car Dealers, October 2024