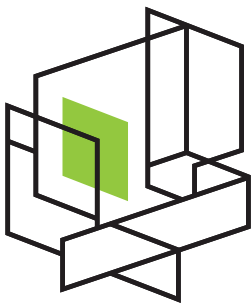




URBAN SCIENCE®

DEFECTION DATA PLAYBOOK

2025



Why Defection Data

Defection data provides dealerships with a powerful lens to identify why customers leave, uncover operational inefficiencies, and refine sales and marketing strategies. By understanding the patterns and causes of defection, teams can make informed adjustments that lead to improved performance, stronger customer retention and increased sales effectiveness.

Our unrivaled defection data is powered by the Urban Science® DataHub™ – the only source of industry-wide sales* data that is fueled directly from automakers and not modeled or delayed vehicle registrations. With 96% of new vehicle sales and 99.8% of CPO, we're uniquely positioned to help pinpoint dealership process pitfalls based on daily, same and competitive brand, sales, data, presence, and marketing efforts.

This guide will highlight how you can use defection data to make small adjustments to your sales and marketing processes leading to increased sales over time.



96%

**New Vehicle
Sales Data**



99.8%

**CPO Vehicle
Sales Data**

Turning Lost Leads into Strategic Opportunity

Visibility into the sales funnel is essential for identifying when and why customers defect – yet many dealerships still lack the clarity needed to act. According to The Harris Poll, **74% of dealers are not fully satisfied with their ability to know if a lead has defected**, making it difficult to pinpoint weaknesses, coach sales teams effectively or refine the sales process to better meet buyer expectations.

Defection data offers a powerful way to transform lost leads into actionable insights. It highlights where shopper engagement is falling short and reveals opportunities to strengthen the fundamentals – clear communication, timely follow-up and adaptability to customer needs. Defection isn't a failure; it's a signal. And when interpreted strategically, it provides a road map to elevate performance, enhance the customer experience and gain a competitive edge at every stage of the funnel.

*This survey was conducted online by The Harris Poll on behalf of Urban Science among 3,026 U.S. adults aged 18+ who currently own or lease or plan to purchase or lease a new or used vehicle in the next 12 months (between January 10 to February 4, 2025) and among 254 U.S. OEM automotive dealers, whose titles were Sales Manager, General Manager, or Principal/VP/Owner (between January 9 to January 30, 2025).

On average, highly engaged dealers who use defection data see a lift of +6.5% after a six-month period.



The Value of Daily Data:



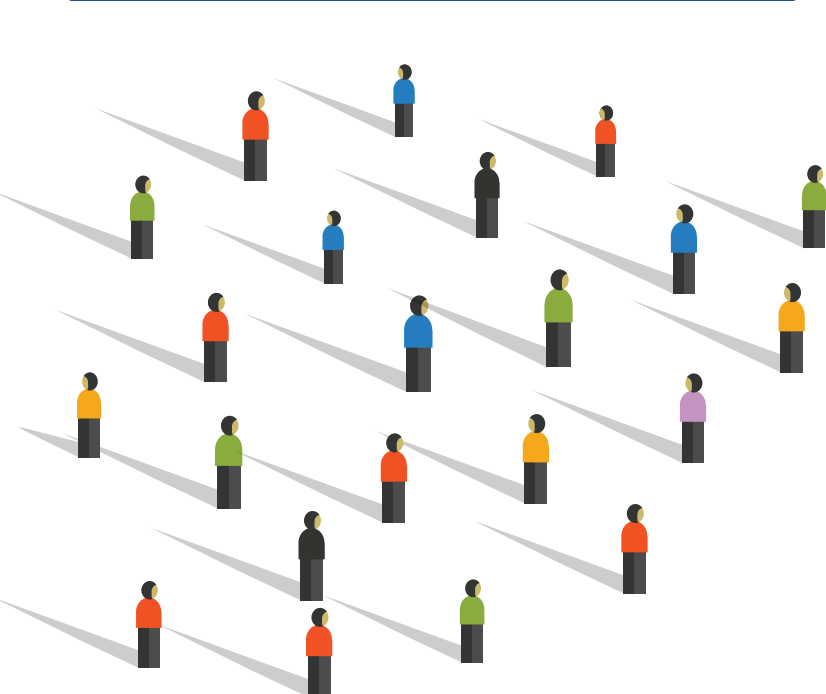
1. What is Defection?

Definition: Defection occurs when a lead in your CRM purchases from a competing dealership – often without your team realizing they were a serious buyer.

Key Stat: Nearly 20% of your CRM leads may have already purchased elsewhere (Source: Urban Science).

The average dealer has 120 defections per month, resulting in 30 to 50 hours of wasted follow-up with leads who are already out of market.

Example: Dealer Gets 300 Leads Per Month



What Do We Know About These Leads?

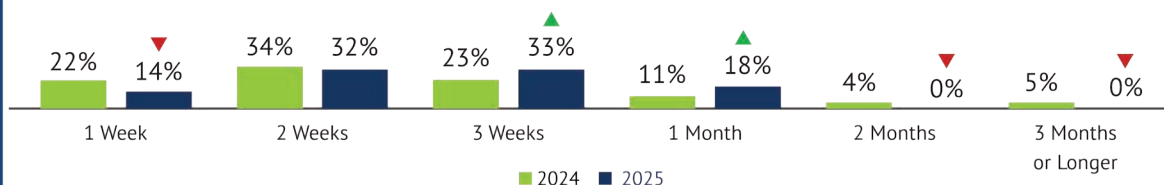
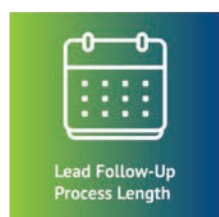
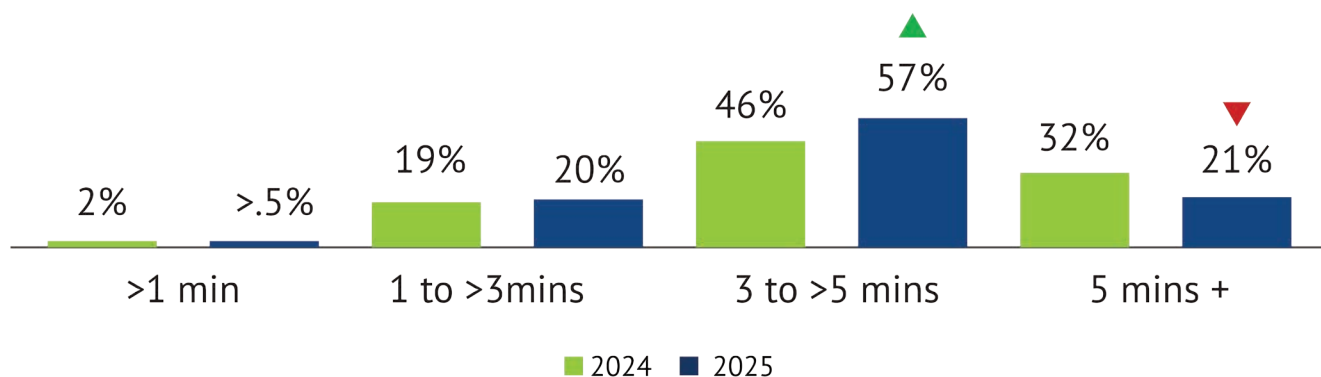


Dealers are spending more time following up with leads than previous years – make every follow-up call count by eliminating lost leads and only targeting in-market leads.



3 to 5+ Minutes

is how long most dealers spend attempting to follow up with a lead.



*Source: Urban Science Online Consumer and Dealer Studies, February 2025. These surveys were conducted by The Harris Poll on behalf of Urban Science among 3,026 U.S. adults aged 18+ and 254 U.S. automotive dealers whose titles were Sales Manager, General Manager, or Principal/VP/Owner.

Actions:

1. Audit your CRM weekly for leads older than 30 days.
2. Flag leads marked “open” or “inactive” with no recent activity.
3. Review customer notes for unanswered questions or stalled follow-up.
4. Review assigned salesperson and their execution of assigned processes. If needed, reassign the lead to another salesperson so they can attempt to reengage the consumer.

2. Why Do Customers Defect?

We know from research that price and inventory are top considerations for leads; however, we've found that a key driver of defections is process breakdown.

There will be times where the customer is set on a specific price, or they want a certain amount for their trade. There may be an issue with a specific vehicle not being in inventory for a few weeks, and these issues may cause the customer to defect.

Process breakdown occurs for three reasons:

- Poor process.
- Poor execution.
- Somewhere in the middle.

Some examples of process breakdown:

- Delayed or no response from dealership staff.
- Too many team members reaching out, causing confusion as to who the consumer should be dealing with.
- Unclear answers to specific questions or vague pricing figures that are hard to understand.
- Automated responses that don't address customer questions.

The job of leadership is to control what you can control. It is important to inspect each opportunity to understand what happened and what needs to be addressed.

3. How Defection Data Helps Course Correct Defections

Defection data identifies and reports leads who have purchased elsewhere so you can take corrective action.

Core benefits:

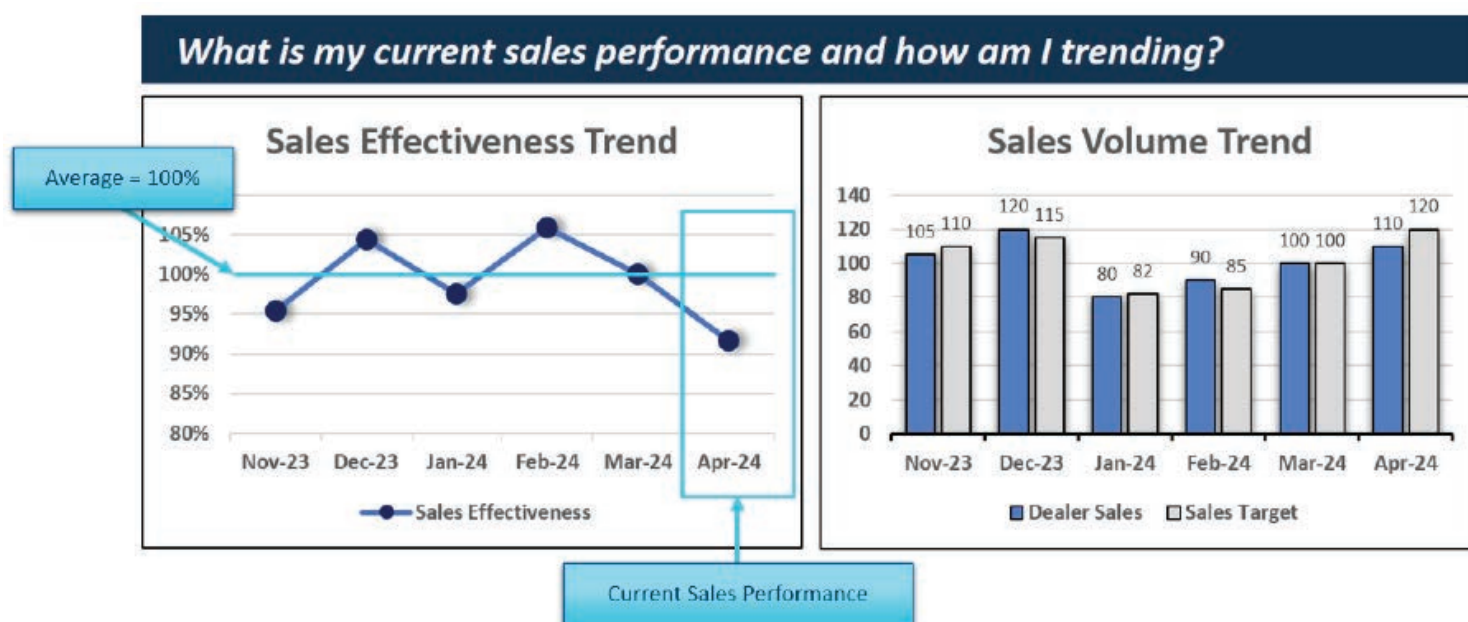
- Saves employees time chasing dead leads.
- Surfaces training gaps in process.
- Refines messaging and marketing.
- Leads to improved sales effectiveness.

4. Sales Effectiveness Defined

Definition: Your dealership's performance against an expected sales benchmark set by your OEM based on peer sales volume trends in your geography and national sales performance.

Why This is Important: This is a critical first step in identifying performance gaps. Expectations are based on local segment preferences and benchmarked against regional, state and national averages.

For example, if a dealer is expected to sell 200 units but sells only 100, their sales effectiveness is 50%. High defection rates can indicate missed opportunities and often correlate with lower performance.*



* Urban Science. (2025). Three ways defection data can enhance your dealership's sales effectiveness.

How to Calculate: Each month divide sales by the sales target. The goal is to be over 100%.

The Importance of Benchmarking to Market Standards:

Benchmarking to market data is the best way to understand your true performance because it provides a full performance picture, so you're able to gain a better understanding of the impact your operational adjustments are making. You may be selling more, but if everyone else is, you have not gained market share.

EX: This dealer is making monthly sales gains, but market performance is up overall, so they are still falling short.

How do you know if recent changes are working?

Option #2: Competitive Benchmarking

- Add an industry-adjusted target
- Are you gaining or losing to your competitors?



Most recent month

Dealer sales are up 10%
but the market is up 20%

Defection makes you more effective through efficiency, not more marketing spend.

How to Improve:

1. By removing lost leads via defection data. Your team can focus on active leads.
2. Use communication channels that align with customer behavior.
3. Adjust messaging based on what defectors experienced (run a survey or focus group post-defected sale to understand why customers purchased elsewhere).
4. Review CRM notes for lost leads for coaching opportunities.