



## Cox Automotive's Upside™ Delivers a Vibrant Wholesale Marketplace with Advantages for Buyers and Sellers

*First Upside Direct sales deliver enhanced profitability to sellers and value to buyers looking for much needed inventory.*

**ATLANTA – May 23, 2022** – To some dealers, it sounded too good to be true: a vibrant wholesale marketplace that could deliver value on **both** sides of the transaction. But that's exactly what Cox Automotive set out to deliver with Upside. With the first Upside Direct sales attracting strong participation, Cox Automotive is confident in saying that the promise of Upside has become a reality. Upside sellers made money above the Kelley Blue Book® Instant Cash Offer value on every vehicle listed while buyers acquired a range of much-needed inventory, including some great deals along the way. Overall, sellers on Upside Direct received 99.4% of MMR on average for their vehicles, while getting an average of approximately \$1500 over the recommended trade-in value.

Independent dealer Jeremiah Mowry of Atlanta Auto Brokers, who was among the first sellers in Atlanta to sign up for Upside, has seen success in the first sales. "Upside is brilliant! It gives us a partner with skin in the game. We're all looking for a safety net, and now we work even harder to get that extra car on trade because Upside gives us the confidence to know that it will for sure sell, and Cox will share the majority of the profit." After the first sale, Mowry remarked, "We sold our cars and made really good money. I'm super-satisfied with the results."

One of the first Chicago-area dealers to sign on, Michael Maheras from Phillips Chevrolet and Phillips Auto Group, was intrigued from the first time he heard about Upside, as his team was looking for an easier way to wholesale vehicles. After selling the most recent Upside Direct sale, he had this to say: "In the car business, we're gamblers, and this took the gambling out of it. You know what your base is going to be, so there's nothing but upside." Maheras particularly liked the activity spurred on by the low starting bid and no reserve. "Our first time selling in Upside Direct was very profitable. When you're purchasing a car that starts out at 50% of MMR, it immediately gains traction, keeps buyers engaged and ultimately gives you the money you need out of it. Best of all, there were no transport fees, our vehicles got picked up the next day, and our used car managers didn't have to leave the dealership."

### The results from the first Upside Direct sales show the benefits to buyers and sellers:

- **Wide Selection of Inventory:** No matter what type of inventory buyers were after, there was absolutely a car for everyone in the first Upside Direct sales. The newest car so far has been 1 year old, with some older than 21 years; some cars had less than 3,000 miles and some had more than 300,000 miles. Across the vehicles, MMR values ranged from less than \$1,000 to more than \$75,000.
- **Significant Buyer Interest:** Throughout the first weekend sale, more than 8,000 dealers logged into the Manheim Marketplace\* to view Upside Direct cars and place nearly 2,000 bids.
- **Solid Bidding Participation:** The first Upside Direct sale, which included only vehicles from the Atlanta market, featured almost 90 vehicles. In the first five minutes of that sale, there were 270 bids indicating a strong, liquid marketplace. Across the first two sales, vehicles listed saw an average of 25 bids each, which is more than five times the number of bids an average vehicle receives in other auction settings.
- **MMR Achieved:** A healthy wholesale marketplace delivers reliable values on vehicles through active bidding, and Upside Direct did just that. Even with a wide range of vehicles, Upside provided selling dealers 99.4% of MMR on average, meaning that sellers achieved market-verified wholesale values.
- **Sellers Profited Overall:** The promise of Upside for sellers is that they will make money on every car. For the first two sales, Upside's minimum guarantee and the lion's share of the upside from each car meant that sellers averaged approximately \$1500 over the recommended trade-in value. There were certainly some steals for buyers since bidding for every vehicle starts at 50% of MMR, but even in those instances, sellers still walked away with the guaranteed minimum.

"Upside is proof of what we can achieve by taking a portfolio approach to wholesaling vehicles," said Connie Suozzo, vice president, Manheim Digital. "The variety of inventory combined with the industry's best condition tools, purchase protection, no reserve sale format, and more, give buyers every reason to shop in the Upside Direct marketplace. And since sellers are guaranteed profit on each vehicle they list—they now have even more reasons to say YES to every



trade-in consumers bring them, even when those vehicles don't fit their retail profile.”

#### **How it works:**

It all starts with a Kelley Blue Book Instant Cash Offer. When a dealer generates a trade-in offer on a consumer's vehicle, the dealer will be able to see *at that moment* the minimum they will get for that vehicle in the Upside Direct marketplace. If the dealer decides to wholesale the vehicle, a trained Manheim specialist will inspect the vehicle at the dealership and create the industry's best condition report to showcase it in the sale.

Upside Direct sales take place over the weekend, starting on Friday and ending on Monday afternoon. All Upside vehicles are listed with no reserves and bids that start at 50% of MMR—so even one bid can win the vehicle. Even if the vehicle doesn't sell in the marketplace, sellers will still receive a minimum profit through the Upside process. And if it does sell for above that minimum, sellers get the lion's share of the upside.

The post-purchase experience is exceptional for both sides of the transaction, as Cox Automotive has minimized the risk across the experience. Any Upside Direct purchase that doesn't match the condition report is easy to return.\*\* In addition, buyers have 21 days to be sure about their purchases with the DealShield 21-day Return Guarantee, which enables buyers to return a covered vehicle for any reason during that time period.\*\*\* Either way, sellers can be confident that once they list a vehicle with Upside, they won't have to worry about that vehicle again. Upside will quickly handle any claims directly with buyers.

Derek Hansen, vice president of wholesale for vAuto, added: “To bring this vibrant, profitable solution to life for our clients, we've taken every piece of research, data and best practice we've learned from touching the entire retail-to-wholesale process and put them all into one seamless experience. It's as good for buyers as it is for sellers, and we look forward to continuing to roll Upside out across the nation.”

Upside is currently available for sellers in the Atlanta market, with some dealers in Chicago beginning to list their vehicles for sale. The Chicago market will launch officially later this month. More markets will be added throughout the year, which will increase the available inventory for buyers, who login to the [Upside Direct weekend event sales](#) from across the nation.

\* Manheim.com, OVE.com, Manheim Mobile, UpsideDirect.com

\*\* Manheim policies apply.

\*\*\* Eligible Upside Direct inventory includes complimentary DealShield protection for 21 days and up to 250 post-purchase miles. Covered vehicles must have: CR score of at least 1.0, sold price below \$100,000 and sold price lower than 110% of MMR. As-is units qualify for this promotion. Exclusions from coverage can be found at <http://www.dealshield.com/terms-conditions>, section 2.4. Buyers may return a maximum of 3 out of every 10 purchases, not to exceed 10 returns in a quarter.

#### **About vAuto**

vAuto® provides innovative technology, tools, and business intelligence to thousands of dealerships across the United States and Canada, helping them compete more effectively and increase new/used vehicle sales volumes and profits. Founded in 2005, vAuto revolutionized dealers' used vehicle operations. In 2018, vAuto released the Provision ProfitTime metric and methodology to help dealers maximize inventory turn and gross profit based on the investment value or profit potential of each vehicle. vAuto's solutions also include Conquest, a new vehicle inventory management and pricing system, Stockwave, which enables dealers to efficiently find and purchase vehicles from leading wholesale sources via a single platform, and iRecon to help dealers recondition vehicles and get them retail ready faster. vAuto is a Cox Automotive brand.

#### **About Manheim**

Manheim® is the nation's leading provider of end-to-end wholesale vehicle solutions that help dealer and commercial clients increase profits and efficiencies in their used vehicle operations. Through its physical, mobile and digital sales network, Manheim offers services for decisioning, buying and selling, floor planning, logistics, assurance and reconditioning. Operating the largest vehicle wholesale marketplace, Manheim provides clients with choices to connect and transact business how and when they want. With nearly 8 million used vehicles offered annually, Manheim team members help the company facilitate transactions representing nearly \$80 billion in value. Headquartered in Atlanta, Manheim North America is a [Cox Automotive](#)™ brand. For more information, visit <http://press.manheim.com>

#### **About Cox Automotive**

Cox Automotive Inc. makes buying, selling, owning and using vehicles easier for everyone. The global company's more than 27,000 team members and family of brands, including Autotrader®, Dealer.com®, Dealertrack®, Dickinson Fleet Services, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto® and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five continents and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with annual revenues of nearly \$20 billion. [www.coxautoinc.com](http://www.coxautoinc.com)

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