Automotive Service Industry Study

November 2025

Cox Automotive

Autotrader | CentralDispatch | Dealer.com | Dealertrack | EV Battery Solutions | FleetNet America | Fleet Services | Kelley Blue Book | Manheim | NextGear Capital | vAuto | VinSolutions | xtime

Methodology

18-75 years old

Serviced vehicle at least 1x in last 12 months

Surveys completed: April 16 – May 8, 2025

1,974

Vehicle Owners

Key Takeaways

3 Big Trends

Intensifying Competition Cuts into Dealership Service Business

Buy Here, Service There: Convenience Trumps Loyalty

Service Lane is Used Inventory Goldmine!

1

Intensifying Competition Cuts into Dealership Service Business

COX AUTOMOTIVE

Dealership fixed ops revenue grows amid mounting competitive pressures…

Average Dealer Service & Parts Revenue[1]	# of Auto Mechanic Businesses in US[2]
~$9.23M	**~299K**
2025	2025
(+33% vs. 2018)	(+12% vs. 2018)
~$6.95M	**~266K**
2018	2018

Source: 1) NADA, 2) IBIS World

…but dealers are getting a shrinking piece of a growing pie

# of Vehicles in Operation[1]

298.7M

2025

(+7% vs. 2018)

279.1M

2018

Dealer Share of Service Visits[2]

29%

2025

(-12% vs. 2018)

33%

2018

Competitor Share of Service Visits[2]

	2025	2018
General Repair	**27%** ↑	25%
Quick Lube	**14%** ↑	12%
Tire Store	**10%** ↓	12%
Retail	8%	7%
Specialist	4%	5%
Body Shop	3%	4%
Independent Mobile	**2%** ↑	NA
OEM Mobile	**2%** ↑	NA

Arrows indicate significant difference between years at the 95% confidence level

Source: 1) Hedges & Company
2) 2025 Cox Automotive Service Industry Study

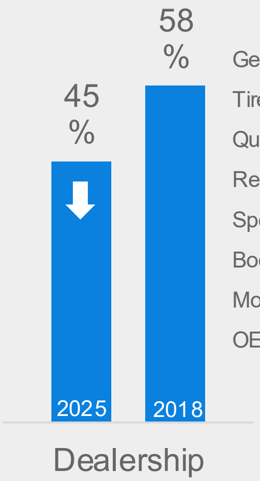
Dealership decline is greatest among vehicles 5 years old or less

Service Provider Share of Visits

< 2 Years Old

	2025	2018
General Repair	12% ↑	9%
Tire Store	8% ↑	5%
Quick Lube	8% ↑	5%
Retail	5%	5%
Specialist	2%	4%
Body Shop	1% ↓	4%
Mobile	4% ↑	NA
OEM Mobile*	4% ↑	NA

2-5 Years Old



	2025	2018
General Repair	13%	11%
Tire Store	9%	9%
Quick Lube	14% ↑	10%
Retail	6%	5%
Specialist	4%	4%
Body Shop	2%	2%
Mobile	4% ↑	NA
OEM Mobile*	3% ↑	NA

> 5 Years Old

	2025	2018
General Repair	31%	33%
Tire Store	10% ↓	14%
Quick Lube	15%	13%
Retail	8%	7%
Specialist	4%	5%
Body Shop	3%	2%
Mobile	2%	NA
OEM Mobile*	2%	NA

Arrows indicate significant difference between years at the 95% confidence level

General Repair surpasses dealership for most preferred service provider

Service Provider Preference

#1 **33%** General Repair

1. Cost (60%)
2. Convenient location (56%)

#2 **31%** ⬇ Dealership

1. They know my vehicle (54%)
2. Prior experience (46%)

3. Tire Shop (8%)
4. Quick Lube (8%)
5. Retail (7%)
6. Body Shop (6%)
7. Specialist (3%)
8. Mobile (2%)

Arrows indicate significant difference between years at the 95% confidence level

Misconception of higher costs curb dealership preference

55%

Find the ***ability to compare prices of nearby competitors*** an important feature for a dealership website/app[1]

Dealership vs. General Repair

Average Customer Spend[1]	Preference (if cost is equal)[2]
$275 General Repair	**45%** Dealership
$261 Dealer	**32%** General Repair

23% No preference

Source: 1) 2025 Cox Automotive Service Industry Study
2) 2024 Consumer Market Update

Greater transparency upfront will alleviate dealership frustrations

45%

Had a frustration at the dealership

Top Frustrations with Dealership Visits

(among those with a frustration)

1. Service took longer than expected (24%)
2. Finding out how much they charge (13%)
3. Tried to push additional services (13%)
4. Final price was higher than the estimate (12%)

Source: 2025 Cox Automotive Service Industry Study

Customers who had a better-than-expected experience cited speed and communication

Service Experience at Dealership vs. Expectations

46% Better than expected

51% Just as expected

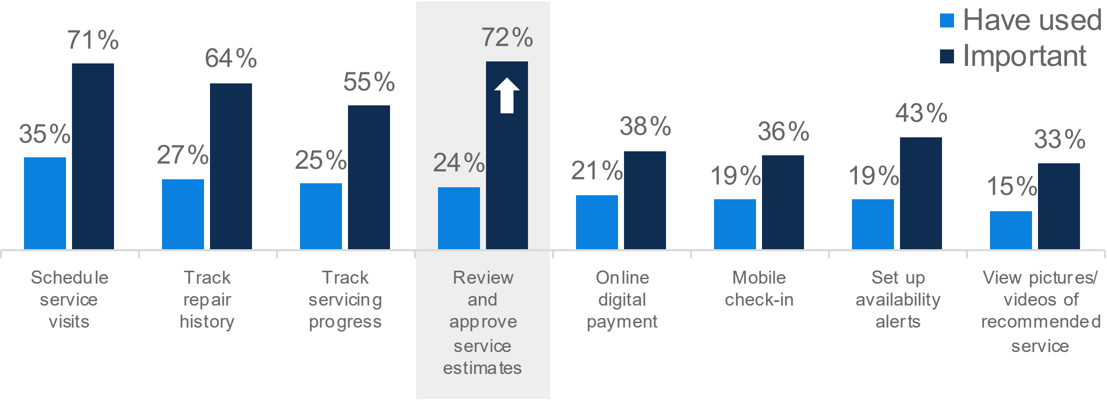
3% Worse than expected

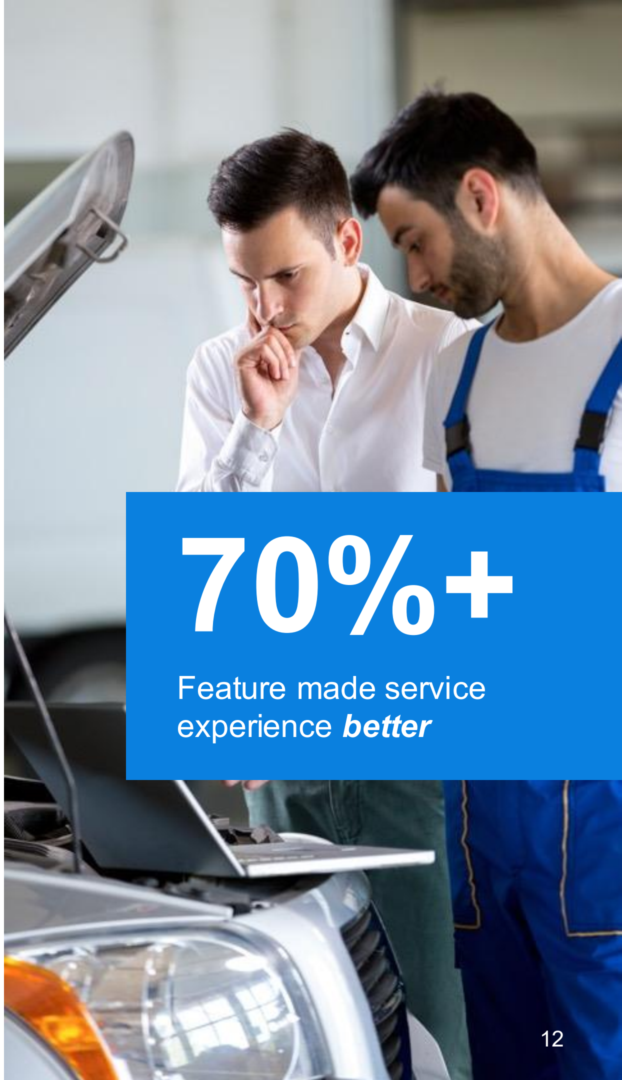
“They worked to fit me into a busy schedule and got my service complete faster than expected.”

“There was poor communication on when the part was at the dealership to fix my car and price was too high.”

Providing digital tools is important to making the service experience better

Importance of Dealership Website/App Features

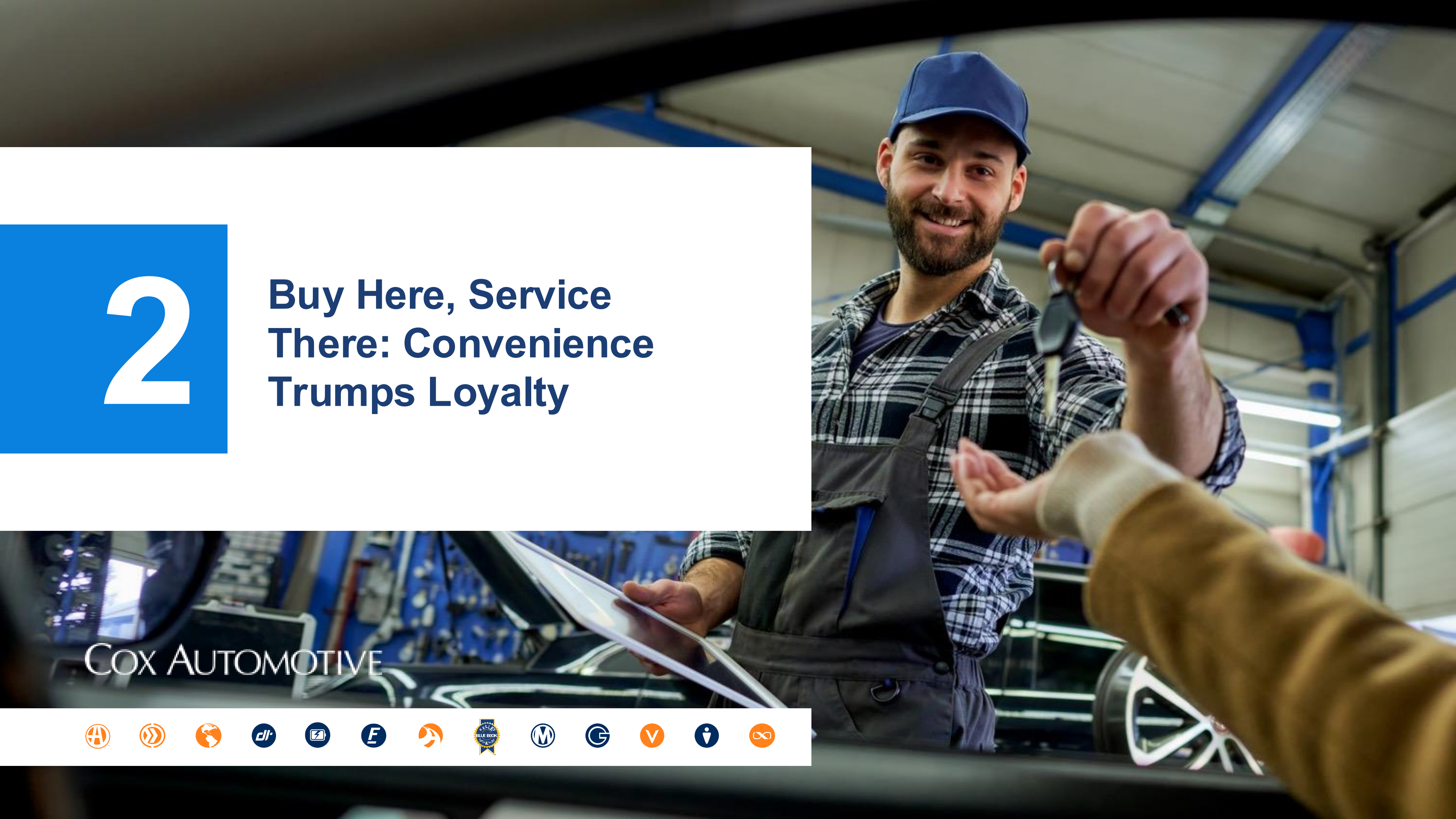




70%+

Feature made service experience ***better***

Source: 2025 Cox Automotive Service Industry Study
2024 Consumer Market Update



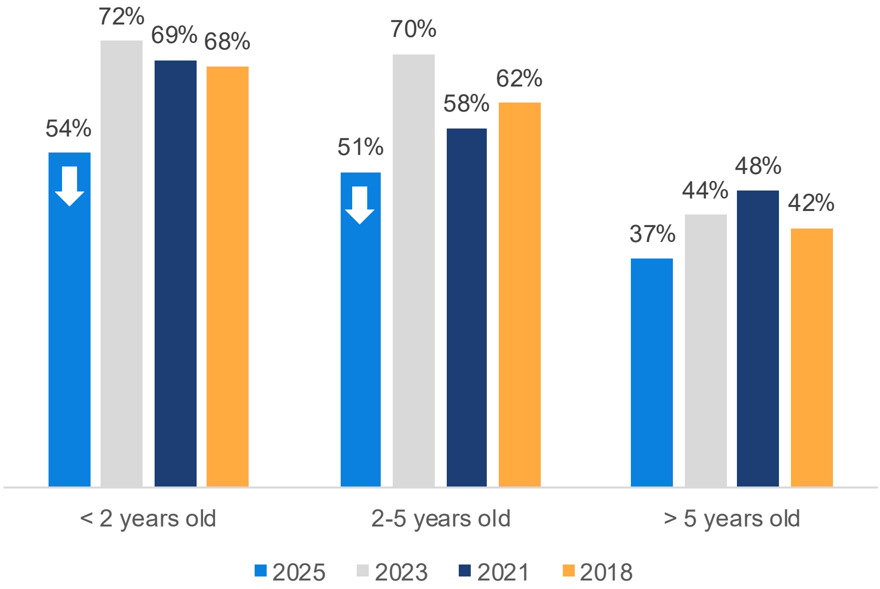
2

Buy Here, Service There: Convenience Trumps Loyalty

Cox Automotive

Fewer consumers are returning to the dealership of purchase for service

% Dealership of purchase (among dealership service visits)



Top Reasons NOT Returning to Dealership of Purchase

1. **Convenience** – Not a convenient location (1)
2. **Value** – They will overcharge me (3)
3. **Value** – Total cost is not reasonable (2)
4. **Value** – Unreasonable labor charges (4)
5. **Value** – Unreasonable parts charges (5)

Arrows indicate significant difference between years at the 95% confidence level

Source: 2025 Cox Automotive Service Industry Study

Growing loyalty to off-brand dealers and mobile providers despite high frustration experienced during service visit

Service Provider Satisfaction & Loyalty

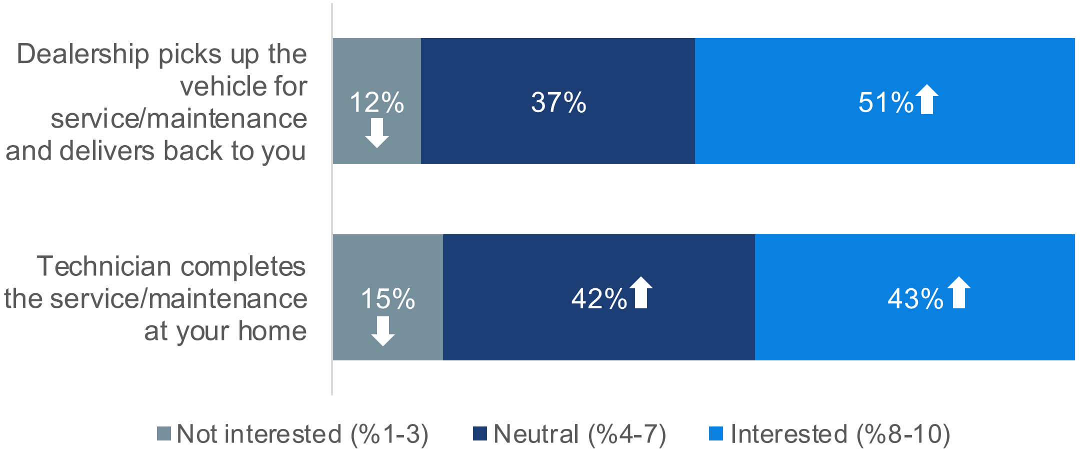
	Below average loyalty	Above average loyalty
Below average frustration	Quick Lube	Dealership of purchase | General Repair
Above average frustration	Tire Store ↑ frustration | *Other dealer (off brand)* ↑ loyalty | Specialist / Retail Body Shop | *Other dealer (on brand)* | Mobile ↑ frustration ↑ loyalty	

Arrows indicate significant difference between years at the 95% confidence level

Source: 2025 Cox Automotive Service Industry Study

How can we make the service experience more convenient?

Interest in Mobile Servicing *(Among vehicle owners)*



% Willing to Pay Some Additional Cost

(Among those interested)

61%

61%

Arrows indicate significant difference between years at the 95% confidence level

Service is critical to establishing long-term customer loyalty

Likely to Repurchase from Dealership

74%
Returned to dealer for service in past 12 months

44%
Did NOT return to dealer for service in past 12 months

88%
Service experience impacts likelihood to return to dealer for purchase

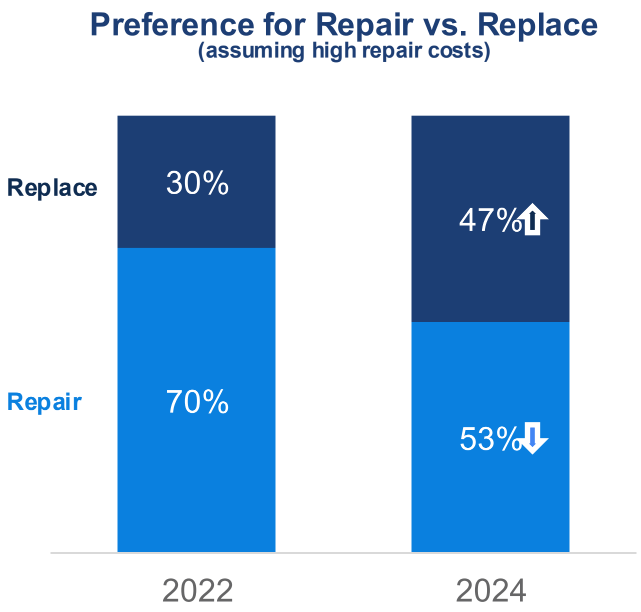
Source: 2025 Cox Automotive Service Industry Study

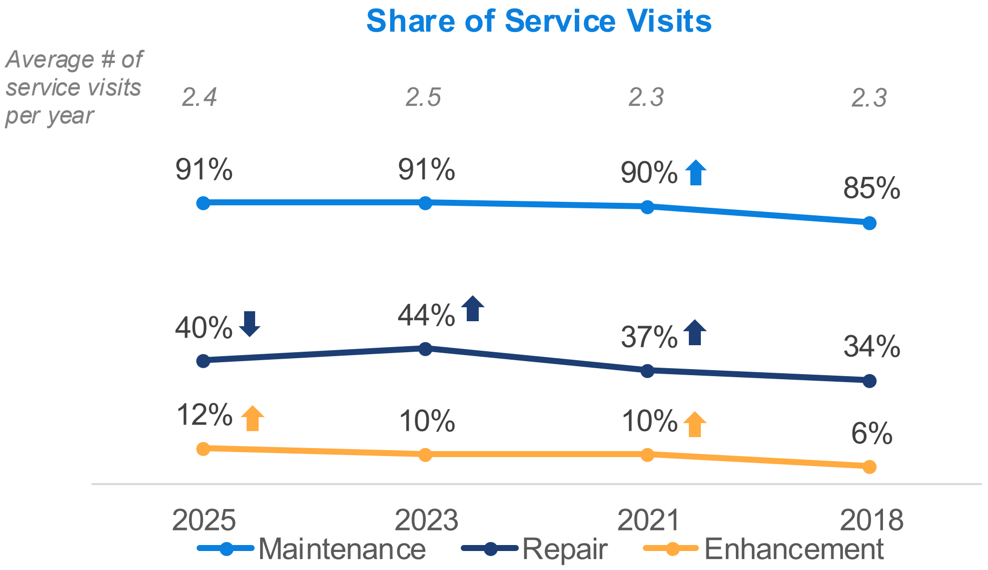
3

Service Lane is Used Inventory Goldmine!

COX AUTOMOTIVE

Rising preference for vehicle replacement over costly repairs is normalizing repair volumes after a 2023 peak





46% of visits have just one type of service work done

Arrows indicate significant difference between years at the 95% confidence level

**Note: Each service visit can include Maintenance, Repair, and/or Enhancement. They are not mutually exclusive.

Service lane opportunity for acquiring more consumer trades

Trade-in Conversations

14%

Service provider has shared a trade-in value with them during a service visit

33%

Highly interested in getting a trade-in value during a service visit

$3,195

Repair cost when consumers start considering the trade in of their vehicle over repairing it

Source: 2025 Cox Automotive Service Industry Study

Implications

Implications

3 Big Things

Empower customers to schedule visits, track progress, and approve estimates through a fully digitized experience	Embrace mobile service options, service pickup and delivery services, and ride-sharing vouchers	Integrate service, inventory management, and vehicle valuation tools to enable real-time trade-in offers during service visits