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Automotive Dealers Are Ready for AI to Deliver Outcomes and Skip the Hype, According to New Cox Automotive Study

- Cox Automotive's AI Readiness in Auto Retail study uncovers the momentum of AI adoption, with the majority of dealers agreeing AI is a permanent fixture in automotive retail with potential to generate benefits for their business.
- Proliferation of AI hype and solutions have garnered attention, but skepticism exists among dealers whose trust issues are centered around data sources and need for more education, indicating proven partners matter.
- Dealers that are fully embracing and optimizing AI reported strong outcomes in increased revenue and improved operational efficiency. Marketing is a launchpad for AI deployment.

ATLANTA—Oct. 28, 2025—[Cox Automotive](#) today released a groundbreaking study on the readiness of automotive dealerships to employ AI in their business operations and extract ROI from it. [Cox Automotive's AI Readiness in Auto Retail Study](#) uncovered a spectrum of perceptions, where most dealers, 81%, believe AI is here to stay, and 63% recognize that investing in AI now is critical for long-term business success.

"Dealers don't care about AI for AI's sake," stated Lori Wittman, president of retail solutions, Cox Automotive. "They care about outcomes they can measure—more cars sold, lower inventory costs, higher gross profit. That's why we're focused on delivering results, not just pushing technology."

Marketing, sales, back office, finance and insurance, or service departments are the primary ways dealers are testing AI tools to build trust; 60% are beginning to test the waters, and nearly 15% are embedding AI tools into workflows and decision-making. Marketing stands out as the common entry point; here, dealers can automate communications, lead engagement, and campaign management. The top three use cases of AI for marketing tasks include:

- Engaging with customers 24/7 using real-time automated text, chat, or email (52%)
- Creating personalized emails and texts (48%)
- Predicting which consumers are ready to buy/targets with personalized messages (39%)

Amid AI interest and deployments where dealers feel comfortable, there are pockets of uncertainty. AI accuracy and errors concern 74% of dealers; 60% of dealers cited concerns with data and algorithms; and 66% of dealers want more education and training—underscoring that dealers want to be able to discern AI credibility from hype so they can operationalize it, extract value and achieve outcomes.

Today, AI applications for automotive retail are a cluttered field marked with established providers and a plethora of new startups. The multitude of options further compounds the hype



from the credibility conundrum facing dealers, especially when the average car dealership relies on more than [40 different software systems](#).

"AI can't be just another point solution in a dealer's tech stack—it must be connected to sophisticated and proven data infrastructure focused on unlocking intelligence that can solve specific pain points and deliver measurable results. This is where connected data becomes a competitive superpower for dealers," added Wittman.

AI insights are essential as today's shoppers can [buy a vehicle completely online](#) and also grapple with affordability issues, as [new-vehicle prices](#) surpass \$50,000 for the first time. Artificial intelligence that delivers insights and actionable information that a car shopper typically doesn't provide, or predictions based on behavior, enables a dealer to lever a variety of marketing, sales and inventory management products, such as Autotrader, Deal Central, VinSolutions or ProfitTime GPS, to secure buyer trust and complete the transaction.

"The dealers who've succeeded with AI aren't working with vendors who just started dabbling in automotive last year," continued Wittman. "They're partnering with companies like Cox Automotive who have deep industry expertise, proven security protocols, and rich first-party data. They are looking for partners that can help them separate real AI solutions from the noise—what's working, what's still being refined, and what results they should expect. That transparency is what builds confidence."

A comprehensive eBook outlining an array of AI use cases across dealership operations can be downloaded [here](#).

Study Background and Methodology

The AI Readiness Study measures dealers' attitudes and outlooks on AI, and where they are investing in technology. Cox Automotive surveyed 537 franchise dealership leaders in three phases. The first and third phases consisted of focus groups conducted in April 2025 and in-depth interviews conducted in August 2025, respectively. The second phase included a qualitative survey of 516 respondents.

About Cox Automotive

Cox Automotive is the world's largest automotive services and technology provider. Fueled by the largest breadth of first-party data fed by 2.3 billion online interactions a year, Cox Automotive tailors leading solutions for car shoppers, auto manufacturers, dealers, lenders and fleets. The company has 29,000+ employees on five continents and a portfolio of industry-leading brands that include Autotrader®, Kelley Blue Book®, Manheim®, vAuto®, Dealertrack®, NextGear Capital™, CentralDispatch® and FleetNet America®. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately owned, Atlanta-based company with \$23 billion in annual revenue.



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