COX AUTOMOTIVE

2026 Fixed Ops and Ownership Study

APRIL 2026

Retail Platform

Background, Objectives, & Methodology

BACKGROUND

Cox Automotive sought to better understand how fixed operations departments can thrive and grow in today's service climate.

OBJECTIVES

1. Identify the best practices of the most successful service departments
2. Understand what gets consumers in the door of a service provider and how to deliver on their expectations
3. Explore the value that modern multi-media tools and features are bringing to the service experience and how best to leverage them

METHODOLOGY

Online survey was conducted among:

500

Fixed operations decision makers at franchise dealers who sell 5+ vehicles per month

2,502

Consumers who have had a service visit in the past 12 months

(weighted to balance new/used and luxury non-luxury owners to the general market)

Consumer and dealer respondents were invited and incentivized to participate in the study

Consumers are holding onto vehicles longer – and leaning more on service

61% ▲

(2024: 54%)

Length of Ownership 5+ Years 2025

10 YRS

Average Age of Disposed Vehicle

30%

% Shoppers* Planning to Delay Purchase

Based on Current Conditions (e.g. economy, vehicle prices, etc.)

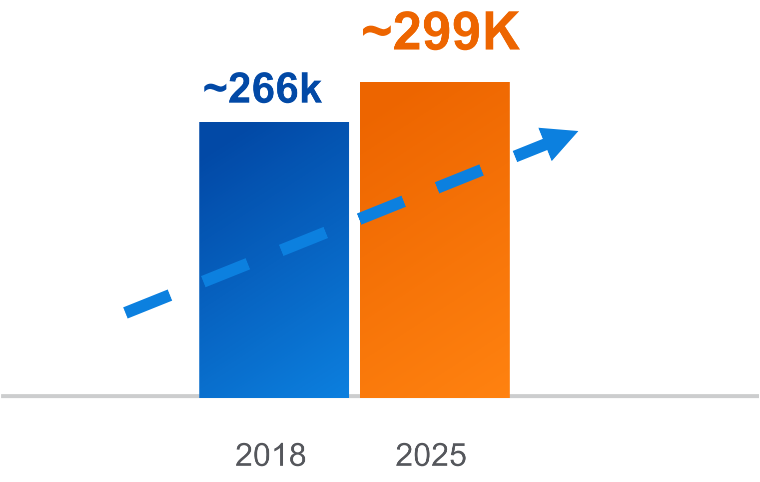
*Shoppers defined as those intending to purchase within the next 12 months

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

Source: 2025 Car Buyer Journey Study; 2025 Consumer Market Update

Service competition intensifies as market grows and mobile service emerges as a new disruptor

Number of Auto Mechanic Businesses in US[1]



(+12% vs. 2018)

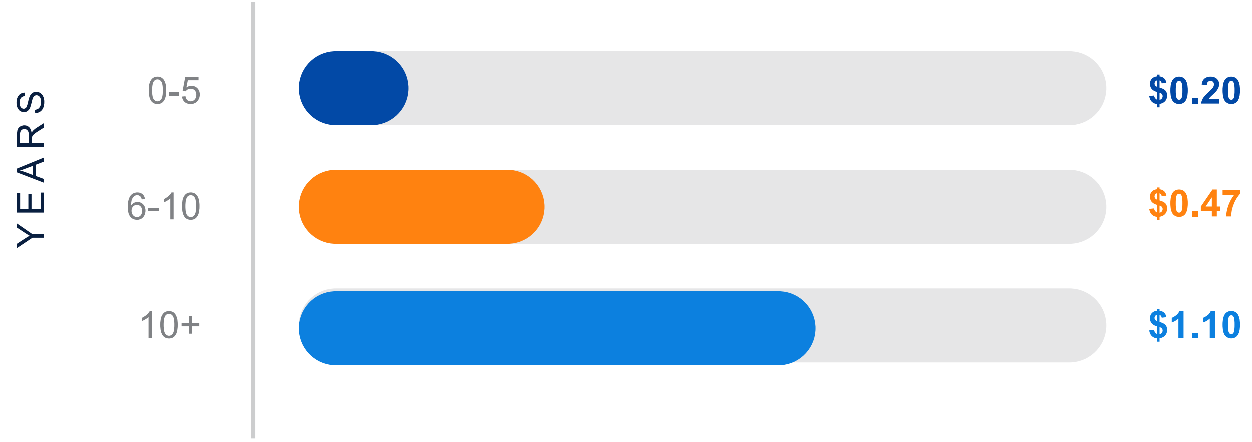
Share of Service Visits[2]

	2025	2018
Dealership	29% ▼	33%
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

Source: 1) IBIS World 2) 2025 Cox Automotive Service Industry Study

As vehicle ages, service frequency and costs accelerate

Service cost per mile increases sharply with vehicle age

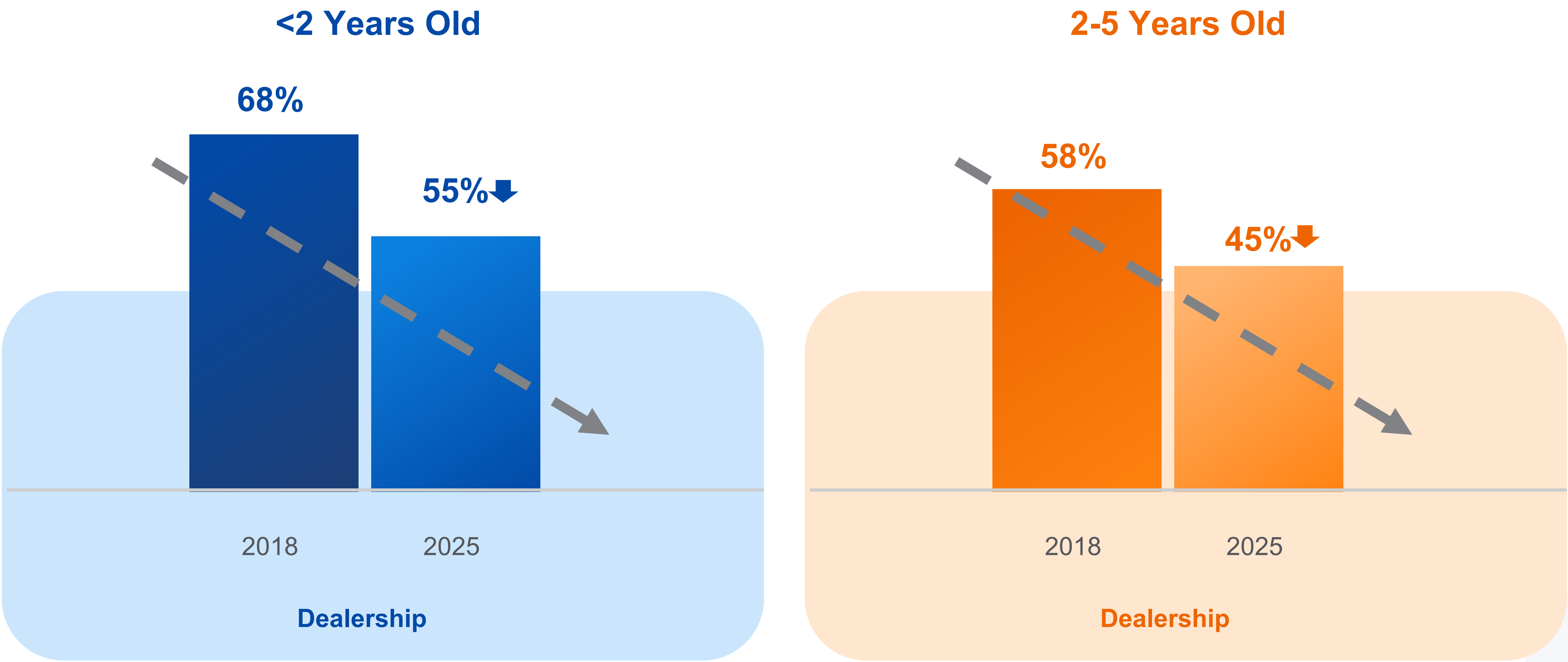


>5x the service cost per mile as vehicle age from 0 to 10 years

Lion's share of service cost occurs after 5 years of ownership

Source: 2026 Fleetio Benchmark Report; 2025 Consumer Reports

Decline in dealership share of service visits is greatest among vehicles 5 years old or less



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Source: 2025 Cox Automotive Service Industry Study
Arrows indicate significant difference between years at the 95% confidence level

Each lost customer may cost the dealership $12K+

$12,398

Estimated Consumer Service Spend During Ownership Period*

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*Estimation is based on the following assumptions: 1) 2.4 average service visits a year 2) average length of ownership is 8.4 years, and 3) average RO per visit is $615 (among Xtime dealers)

Source: 2026 Cox Automotive Fixed Ops & Ownership Research, Xtime data, The Zebra research

Service retention can nearly double a customer's likelihood to repurchase.

RETURNING SERVICE CUSTOMERS ARE…

~2x More Likely

to buy their next car from the same dealer

WHY SERVICE DRIVES REPURCHASE: TRUST

56 %

of consumers with prior dealership service experience say high trust in the dealership is a top reason they consider purchasing a new vehicle

Source:2025 Cox Automotive Ownership Study

Photo/video is associated with higher reported trust & transparency

49% consumers who received photos/videos say they're **more likely** to approve recommended services

DEALERS WHO OFFER/USE PHOTOS/VIDEOS CITED:

53% Increased consumer trust

45% Higher customer engagement

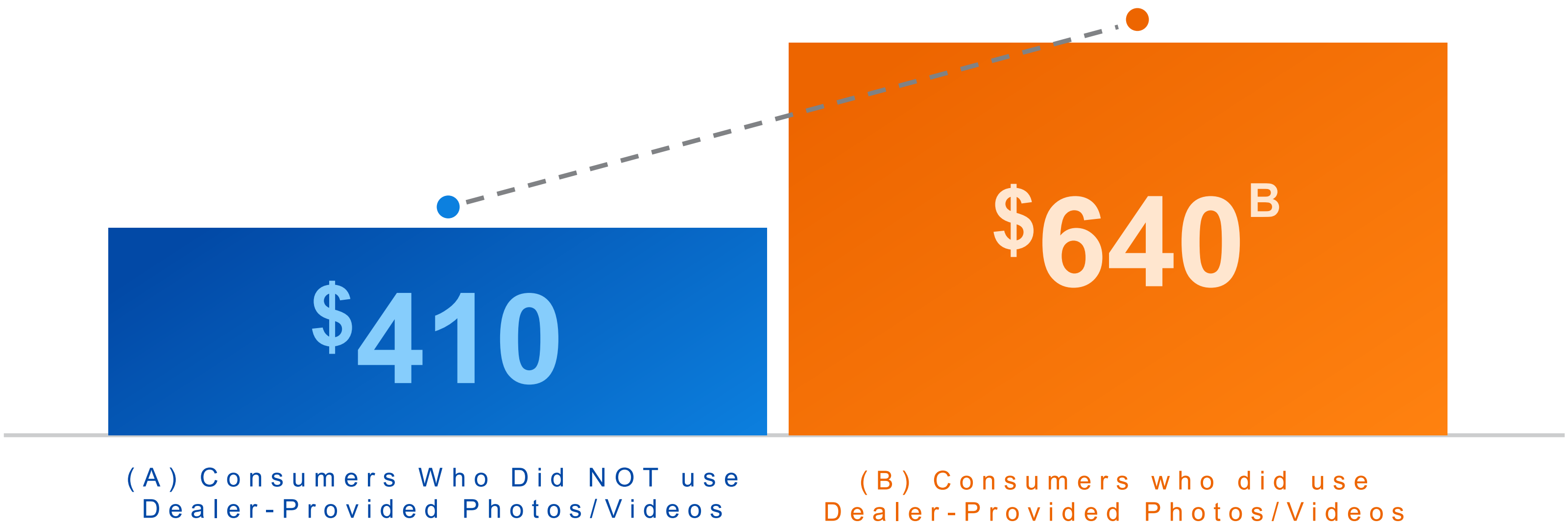
44% More transparency in the process

Source: 2026 Cox Automotive Fixed Ops & Ownership Study

Consumers who received photos or videos understand why a repair is recommended and approve additional repairs

Average Amount Spent on Repair Order

(Among Consumers Who Paid for Service Out-of-Pocket for their Last Visit)



+ $230 ▲

Higher Spend Among Consumers Who Used Dealer-Provided Photos/Videos

Capital letters indicate significance at 95% confidence level
Arrows indicate significant difference between years at the 95% confidence interval

Source: 2026 Cox Automotive Fixed Ops & Ownership Study

A third of service customers want to have a trade-in value discussion

$3,195

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

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

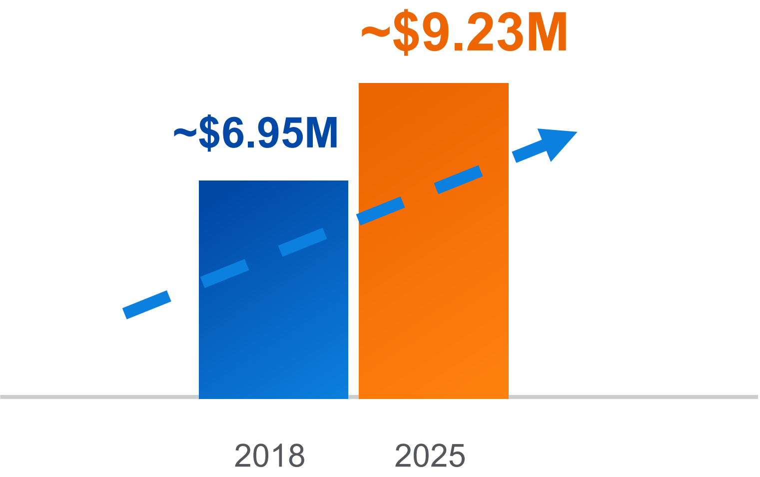
19-Point

Gap between customer interest and dealer execution

Source: 2025 Cox Automotive Service Industry Study

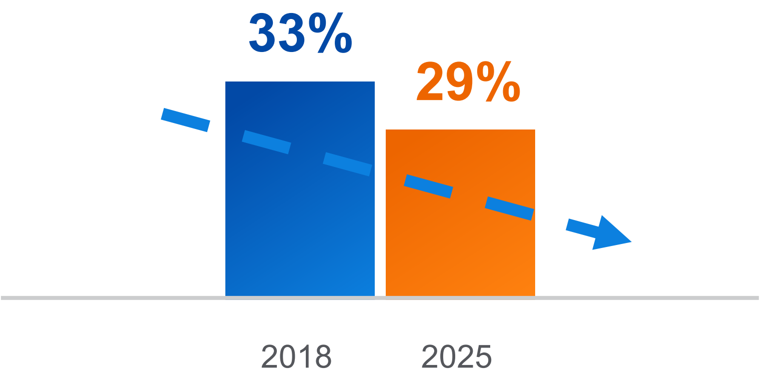
Dealership fixed ops revenue grows but dealers are getting a shrinking piece of a growing pie

Average Dealer Service & Parts Revenue[1]



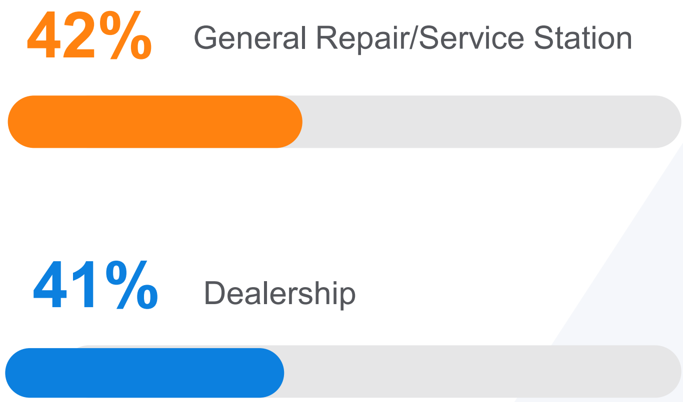
(+33% vs. 2018)

Dealer Share of Service Visits[2]



(-12% vs. 2018)

Top Service Providers Considered[2]



Source: 1) NADA, 2) Cox Automotive Service Industry Study

Pricing perceptions, not pricing reality, are driving customers away from dealerships

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

55%

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

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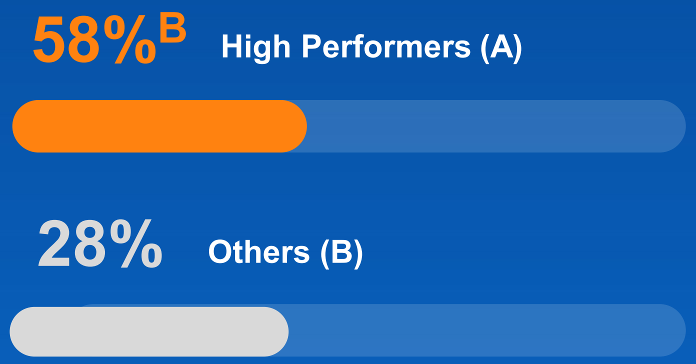
Source: 1) 2025 Cox Automotive Service Industry Study
2) 2024 Consumer Market Update

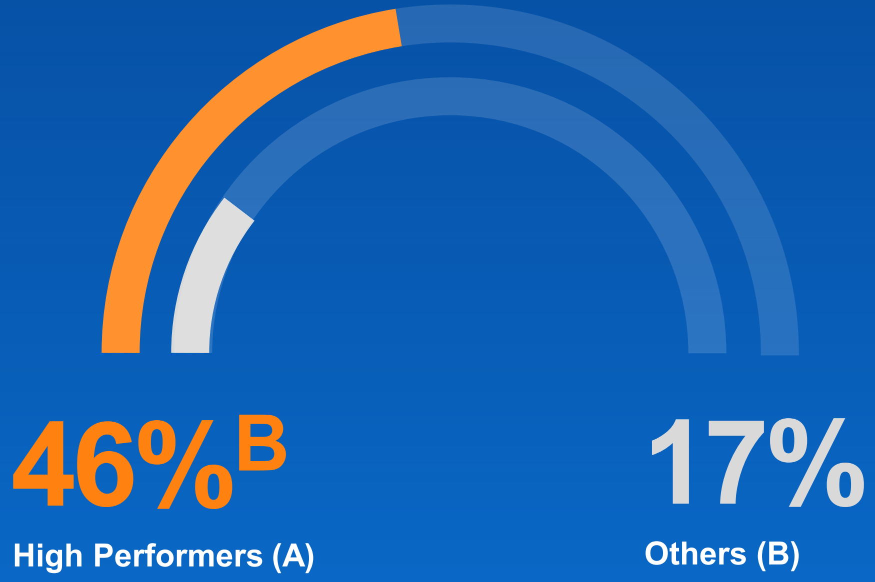
High Performing Dealers are more likely to describe service profits as “strong” and anticipate continued growth over the next 5 years

Describe Service Department Profits as 'Strong'



High Performers are **2.7x more** likely to expect **much higher profits** in the next 5 year

Expected Change in Service Gross Profits Over the Next 5 Years



Capital letters indicate significance at 95% confidence level; High Performers (A), Others (B)

Source: 2026 Cox Automotive Fixed Ops & Ownership Study

High Performers stand out on capacity utilization, inventory acquisition, and sales/service alignment

High Performers optimize capacity…

90%+ Service bay utilization

51% [B] **High Performers (A)**

38% **Others (B)**

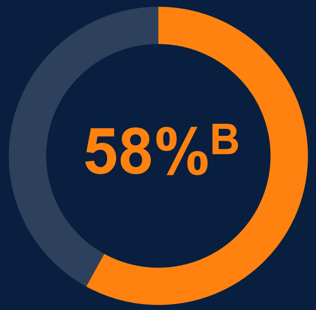
High Performers have a process for inventory acquisition through the service lane

86% [B] **High Performers (A)**

72% **Others (B)**

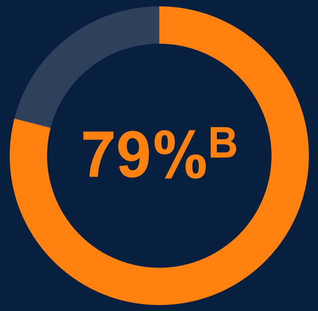
Established Process (net)

High Performer Sales/Service Performance



(vs. 44% Others)

Rate their service/sales integration levels **high**



(vs. 62% Others)

Agree that **technology has improved collaboration** between departments

Capital letters indicate significance at 95% confidence level; High Performers (A), Others (B)

Source: 2026 Cox Automotive Fixed Ops & Ownership Study

High Performing Dealers are more likely to implement and standardize specific service operational practices

47%B
vs. 34% Others

Integrated Photos/Videos into Multi-Point Inspections for Customer Visibility

44%B
vs. 31% Others

Track RO Performance Metrics Closely

42%B
vs. 24% Others

Implemented Service Process Efficiencies

42%B
vs. 31% Others

Offer Financing Options for Servicing

Capital letters indicate significance at 95% confidence level; High Performers (A), Others (B)

Source: 2026 Cox Automotive Fixed Ops & Ownership Study

AI use in service is emerging, with adoption already past the early-adopter threshold

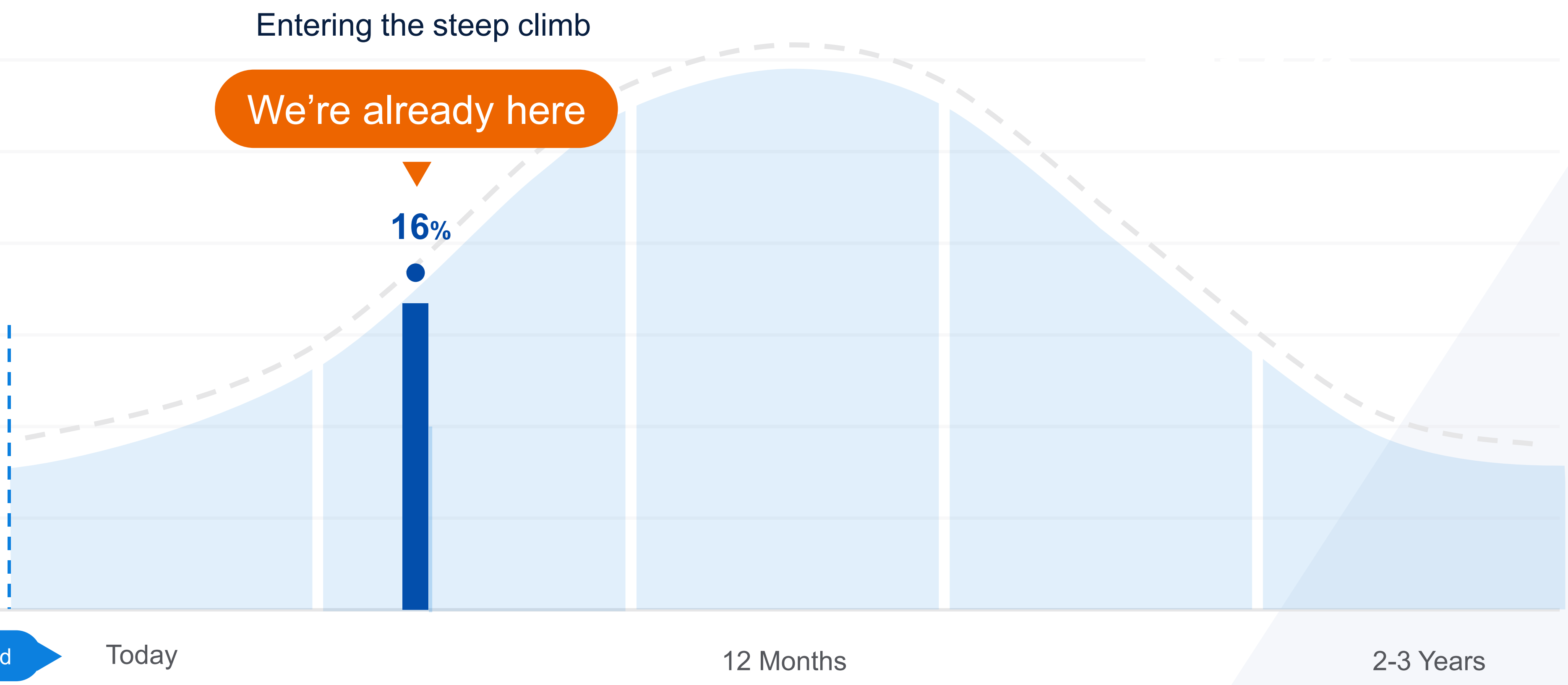
Based on a standard tech adoption curve, we are likely to see steady increases in usage as awareness and tools evolve.

16%

Of consumers say the used an AI Website/Tool to research their last service provider

48%

of these consumers say they used AI to determining what services their vehicle might need

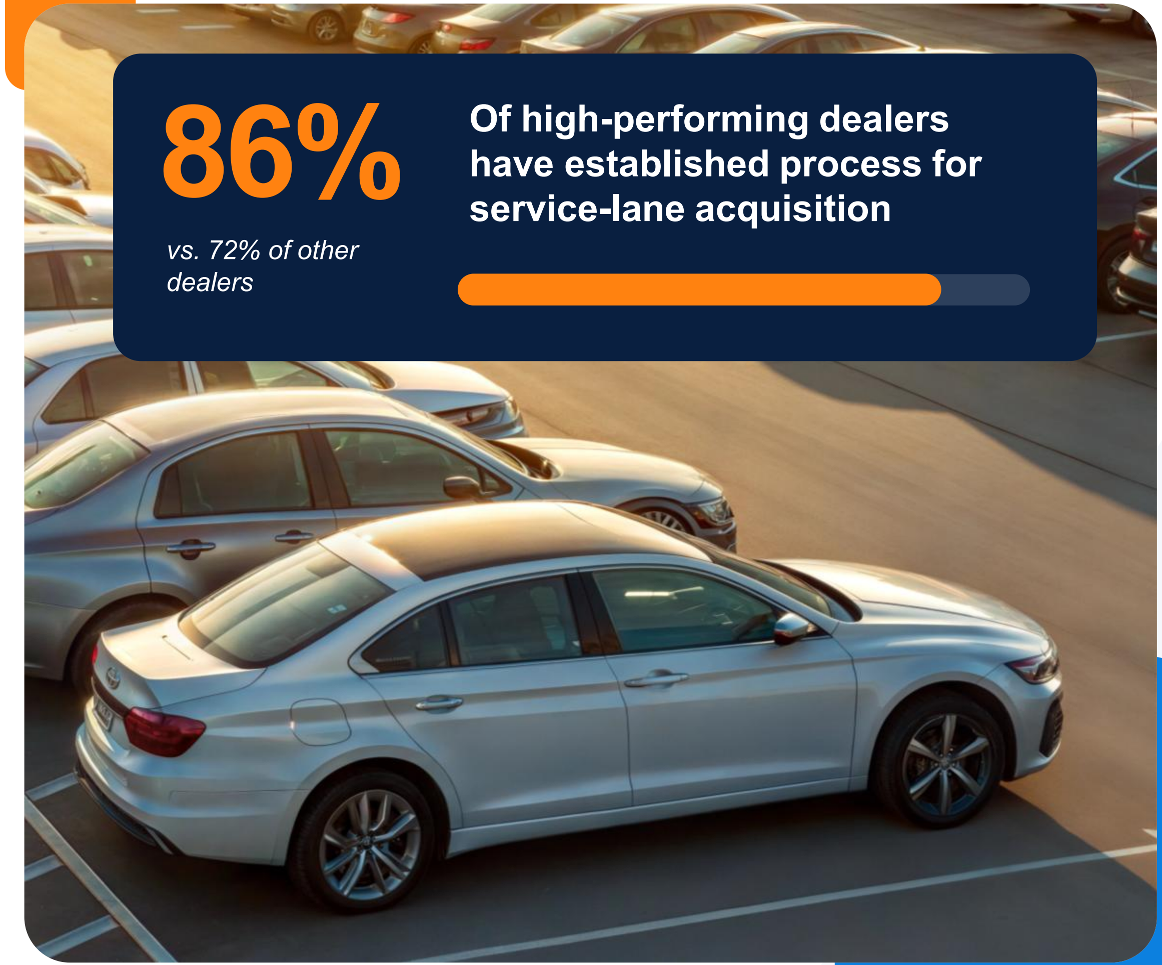


The service lane is an important inventory source for high-performing dealers

What dealers gain by acquiring inventory through service…

- Lower reconditioning risk due to known vehicle history
- Builds trust with service customers
- Reduces reliance on auction/wholesale channels
- Improves customer satisfaction and loyalty
- Improves coordination between service and sales departments
- Increases gross profit potential per vehicle
- Faster time-to-lot compared to outside channels

Benefits of Acquiring Inventory Through Service Department
(Among Total)



86%

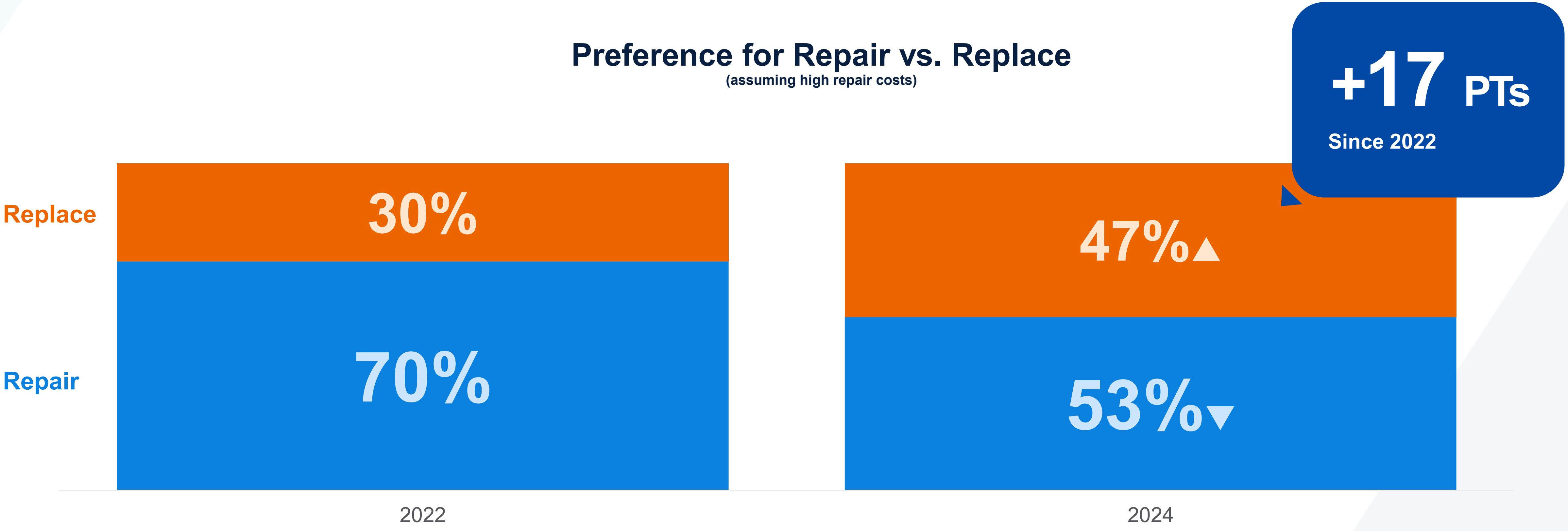
vs. 72% of other dealers

Of high-performing dealers have established process for service-lane acquisition

Source:2025 Cox Automotive Ownership Study

**High Performers: dealers who self-report as both more efficient and more profitable in fixed operations*

As repair costs rise, more consumers choose replacement – creating a service-lane acquisition tailwind.



Arrows indicate significant difference between years at the 95% confidence level
Source: 2025 Cox Automotive Service Industry Study

Key Implications - Dealers

1. **Ownership is stretching longer, and service demand (and cost) is compounding—making fixed ops the clearest growth lever.**
   Dealer: Build a service-first growth plan (capacity + retention + revenue/RO) to monetize longer ownership cycles.

2. **Service is where trust is built—and trust is what locks in retention.**
   Dealer: Operationalize trust with transparent experiences + early service engagement (intro to service + first appointment scheduling).

3. **Transparency and time certainty are the conversion triggers—when customers can see it, they approve it.**
   Dealer: Make "speed visible" and pricing clearer through online scheduling, digital estimates/approvals, and photo/video proof to reduce friction and boost approvals/spend.

4. **High performers just don't do more—they run service as an operating system: measured, modernized, and connected to the whole store.**
   Dealer: Shift from tools to an operating philosophy: track performance, streamline process, remove payment barriers, and standardize high-impact digital behaviors.

5. **Service compounds value: it drives repurchase, unlocks inventory opportunities, and is increasingly influenced by personalized + AI-informed consumers.**
   Dealer: Turn service visits into relationship + value moments (trade/value conversations, personalized reminders, and proactive outreach) to capture sales and supply upside.

Key implications are intended as business advice

**High Performers: dealers who self-report as both more efficient and more profitable in fixed operations*