

POWERSHIFT AI: SHIFTING AUTO DEALERSHIPS INTO THE FUTURE



FALL 2025 INDUSTRY
NEWSLETTER

THE AI READINESS GAP: COX AUTOMOTIVE'S GROUNDBREAKING STUDY SOURCE: COX AUTOMOTIVE, 'A DEALER'S GUIDE TO DRIVING OUTCOMES WITH AI,' 2025

Source: Cox Automotive, 'A Dealer's Guide to Driving Outcomes with AI,' 2025

A new Cox Automotive study is revealing a stark divide in the dealership world—between those who are winning with AI and those who are being left behind.

The 2025 Cox Automotive AI Readiness in Auto Retail Study, which surveyed 516 decision makers at franchise dealerships in June 2025, paints a fascinating picture of an industry at a crossroads.

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COX STUDY CONTINUED:

The Numbers That Matter

While 81% of dealers believe AI is here to stay, and 63% recognize investing in AI now is critical for long-term business success, the reality is that most dealers are still sitting on the sidelines.

The study breaks dealers into distinct adoption stages:

- 25% are in "wait and see" mode
- 60% are just "starting to explore" or "testing the waters"
- Only 15% have integrated AI into workflows or embedded it into operations



COX STUDY CONTINUED:

The "Optimal AI Users" Advantage

Cox identified a group they call "Optimal AI Users"—dealers who are using AI with decision automation and recommendations. The performance gap is stunning:

Optimal AI Users are 50% more likely to report revenue growth, efficiency gains, and higher profitability than dealers who are just dabbling. Even more impressive: 81% of these optimal users say AI implementation was easier than expected, compared to just 10% of other dealers. Nearly half (48%) have put new processes in place to drive adoption, and 44% have a strategic plan guiding their AI integration.

"Dealers don't care about AI for AI's sake. They care about outcomes they can measure—more cars sold, lower inventory costs, higher gross profit."

— Lori Wittman, President of Retail Solutions, Cox Automotive



What's Holding Dealers Back?

The study reveals three major barriers:

- 74% worry about accuracy and errors
- 69% lack trust in AI's underlying data and algorithms
- 66% say they need more education and training

Where AI Is Delivering Results

COX STUDY CONTINUED:



Among AI users with improved profits, clear patterns emerge:

AI Application

24/7 customer engagement via chat/text/email

78% Optimal Users
61% Other Users:

Creating personalized emails and texts

72% Optimal Users
56% Other Users:

Sales probability & VIN-specific pricing

66% Optimal Users
33% Other Users:

Predicting ready-to-buy consumers

63% Optimal Users
44% Other Users:

COX STUDY CONTINUED:



100% REVENUE GROWTH: Every AI Dealer Reports Gains

Source: Fullpath, 'The 2025 State of AI Adoption in Car Dealerships,' February 17, 2025

According to brand new research, 100% of car dealerships that have implemented AI are reporting revenue increases.

This finding comes from Fullpath's 2025 report, which surveyed over 200 general managers, dealership owners, and executives. Every single dealership using AI reported revenue growth over the past year.

The financial commitment is backing up the enthusiasm: 81% of surveyed dealerships plan to increase their AI budgets in 2025, with 34% planning increases of 11-25%, and 18% planning increases of 25% or more.

COX STUDY CONTINUED:



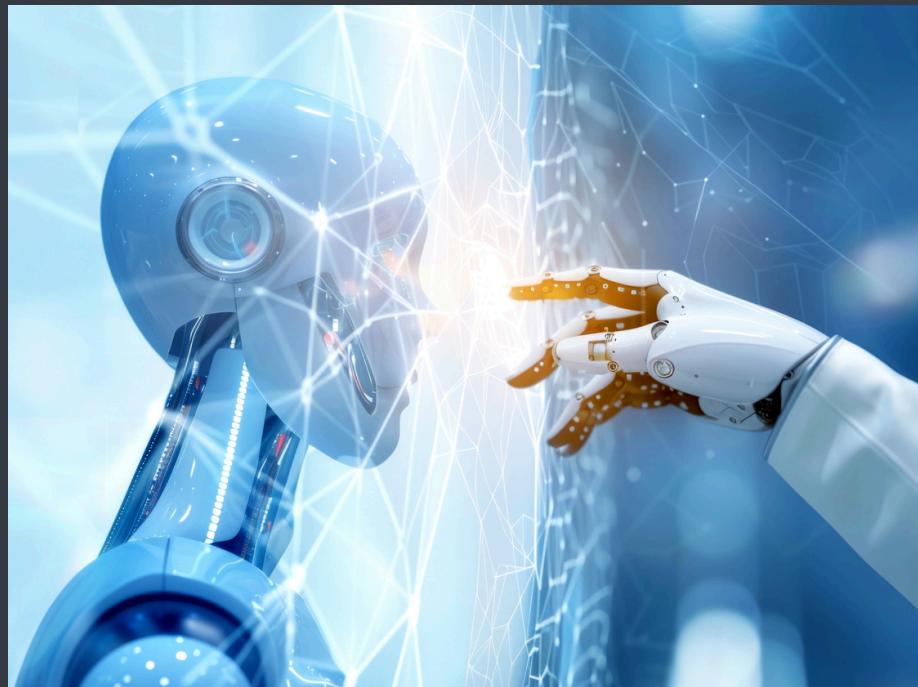
Proven Results from Cox Automotive AI Solutions

- Deal Central: 17% higher close rate on average
- VinSolutions GenAI: 26% higher scheduled appointment conversion rates (January-April 2025)
- Dealertrack: 77% of dealers report improved efficiency
- VinSolutions Predictive Insights: Identifies shoppers up to 8x more likely to buy
- AI-enabled dealerships: 24% increase in customer repurchase rates

"The writing is on the wall. You better get on the stick, or you're going to get blown away. You can see how much an employee costs. The cost of AI, in comparison, is not that much, especially if the AI is a rock star."

— BDC Director, Midwest Franchise Dealer Group

AI VOICE & CHAT ASSISTANTS TRANSFORM CUSTOMER ENGAGEMENT



Source: Chicago Tribune/Associated Press, February 17, 2025

New reporting from February 2025 reveals that AI is now embedded in dealers' website chatbots, text and voice assistants, sales lead tools, and repair schedulers.

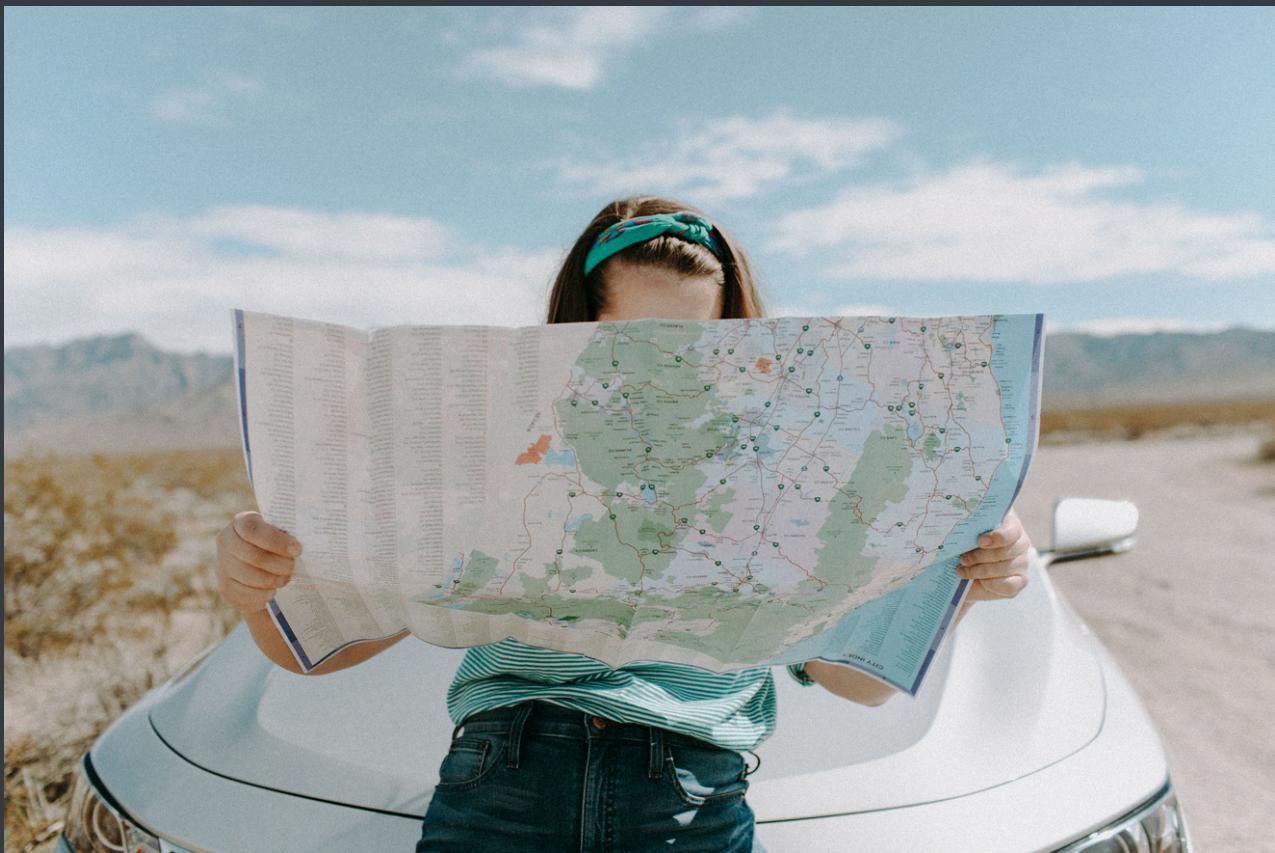
According to Shelli Clark, marketing director of Stella AI, dealers often miss out on one out of every three calls. AI voice assistants ensure those prospective customers aren't lost.

Real-World Applications

- Blink AI handles majority of inbound calls, provides repair status updates, and books appointments
- AutoEngage.ai AI texting service schedules service appointments and answers questions
- AI Virtual Showrooms offer 3D models, interior exploration, and real-time customization
- Predictive Maintenance becoming standard practice, spotting issues before major repairs

Jeff Laethem, who heads a Buick and GMC dealership in Detroit, uses AI to manage customer phone calls and book appointments after hours. "There are a lot of things that it's going to do better than we can," Laethem said.

YOUR ROADMAP TO AI SUCCESS



The Cox Automotive study provides a clear roadmap. Here are the four key strategies that separate Optimal AI Users from everyone else:

1. Start with a Clear Business Need

Don't just "try AI." Use data to pinpoint actual bottlenecks—slow lead response, inconsistent follow-up, inventory management challenges. Pick problems that, if solved, will actually move the needle on revenue, efficiency, or customer satisfaction.

2. Get Leadership Buy-In Early

When leaders are excited and set the tone, everyone follows. Present the business case to your GM and department heads. Appoint internal champions to lead by example, and give them the power to train, troubleshoot, and optimize.

YOUR ROADMAP TO AI SUCCESS CONTINUED:

3. Pilot Before You Go Big

Early wins build confidence and momentum. Pick a team that's open to trying new things. Measure current performance, run the pilot, gather feedback, and track KPIs. Use what you learn before scaling up.

4. Make AI Part of Everyday Life

Optimal AI Users weave AI into daily workflows, align pay and recognition to reward AI-driven behaviors, and provide ongoing training—not just one-and-done sessions.

KEY STATISTICS

DEALER SENTIMENT:

- 81% believe AI is here to stay
- 63% recognize investing in AI now is critical
- 80% plan to implement AI by end of 2025

OPTIMAL AI USER ADVANTAGES:

- 50% more likely to report revenue growth
- 81% say implementation was easier than expected
- 82% agree AI generates more benefits than risks

YOUR ROADMAP TO AI SUCCESS CONTINUED:

THE BOTTOM LINE

The window for "wait and see" is closing fast.

Despite compelling evidence, a Lotlinx study from January 2025 found that 78% of US car dealerships remain uncertain about using predictive data, with only 5% having fully implemented AI. But approximately 80% of surveyed dealers indicated plans to invest in and implement AI by the end of 2025.

The dealers who win in 2025 and beyond will be those who stop waiting and start executing—with the right strategy, the right partners, and the right data.



A MESSAGE FROM BRADLEY BARKHURST, FOUNDER OF POWER SHIFT AI

Wow, looking back at 2025, it has been a huge year for me and AI. I started the year off by taking the Post Graduate Program in AI and Machine Learning from Purdue University. As opposed to my AI and Business course through MIT, this program really went down the AI/Data Analysis rabbit hole. I'm not even going to pretend I understood a majority of what was presented. Although I found it interesting, I'm not going to go the data science route anytime soon. I did learn you can make a graph in hundreds of ways. Joking aside, I did learn some things here and there in the program which inspired me to learn more.

I also released a digital-only book called, The AI Handbook: A Practical Guide for Non-Experts, available at Barnes and Noble and other book retailers. I thought it would be helpful to make a simple handbook on the overall view of AI. I also wanted to provide a glossary of AI terms to help people remember all the terminology. As the technology and tools increase, I continually make updates to this book. I have made at least three major updates since the book came out this year.

This summer I released the book, Power Shift AI: Shifting Auto Dealerships into the Future with Artificial Intelligence. I thought it was important to have a niche for AI. Since I am a car guy and also saw the opportunities and needs at auto dealerships, I decided to position my AI focus on auto dealerships. I don't care about the sales of this book. What I do care about though, is helping auto dealerships "shift" into the future with AI and technology. I know it is rough out there for dealerships: thin profit margins, high costs, endless work.

This fall, I completed the Oxford Artificial Intelligence Program through Oxford University in the UK. They displayed an amazing framework of AI that I wish I had known several years ago. I hope to talk about that framework on my Powershift AI YouTube channel soon because it will help put things into perspective.

In addition to completing the Oxford Program, I did my first conference presentation on AI. It was done at the Law Enforcement and Emergency Services Video Association conference, held in Coeur d'Alene, Idaho. The topic was on how AI Deepfakes are made, directed at law enforcement. I received a lot of positive feedback on this presentation. Ironically, the following day, next to the room I gave my presentation in, there was a conference on AI and Business. Obviously, AI is a hot topic.

A MESSAGE FROM BRADLEY BARKHURST, FOUNDER OF POWER SHIFT AI CONTINUED

2025 also represents Powershift AI becoming a consulting business. We even obtained our first auto dealership client! Who knew that making a book on the topic would turn into this? After I made the book, I really wanted to help dealerships. I would go to several of them, or at least people who worked in the industry, and ask for their pain points. Each one had its own individual points. Sometimes the solution requires thinking outside the box and being creative. With AI knowledge, many of those pain points can be removed or reduced.

My mission is to take my analytical and creative skills, along with my business partner, who is an expert at computer programming, to help auto dealerships save time, money, alleviate pain points, and make more money. Matter of fact, after talking to dealerships and helping alleviate their pain points, it does not even feel like selling something. It feels like we are making a difference for the dealerships, and it is a “win, win” for everyone.

I can't wait to see what 2026 brings and what is in store for auto dealerships. Either way, I am certain it will be a fun ride!

Regards,

Bradley Barkhurst

Founder and CEO
of Powershift AI

